

August 18, 2014

VIA HAND DELIVERY

Office of the Attorney General
55 Elm Street, P.O. Box 120
Hartford, CT 06141-0120
Attn: Perry Zinn Rowthorn, Deputy Attorney General

Office of Health Care Access, Dept. of Public Health
410 Capitol Avenue
Hartford, CT 06134
Attn: Lisa Davis, Deputy Commissioner

Re: Proposal for Joint Venture between Greater Waterbury Health Network, Inc., and Vanguard Health Systems, Inc. – OHCA Docket No. 13-31838-CON and Attorney General Docket No. 13-486-01

Dear Mr. Rowthorn and Ms. Davis:

Greater Waterbury Health Network, Inc. and Vanguard Healthcare Services, Inc., a wholly owned subsidiary of Tenet Healthcare Corporation, hereby submit responses to the questions posed by the Office of Health Care Access regarding the Submission of Supplement Information dated June 27, 2014.

At your request, one copy has been hand delivered to Mr. Rowthorn's office and seven copies have been hand delivered to Ms. Davis' office. In addition, each office has received an electronic version. Those who are copied on the letter will receive the responses to the questions by electronic mail and disk.

If you have any questions or need anything further, please contact me at (203) 578-4202. Thank you for your assistance in this matter.

Office of the Attorney General
Office of Health Care Access, Dept. of Public Health
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Very truly yours,

CARMODY TORRANCE SANDAK & HENNESSEY LLP

By 
Kristin Connors

Enclosures

- c: Gary Hawes, Esq. (via electronic mail and disk)
Office of the Attorney General

- Steven Lazarus (via electronic mail and disk)
Office of Health Care Access

- Darlene Stromstad (via electronic mail and disk)
Greater Waterbury Health Network, Inc.

- Jeffrey Peterson, Esq. (via electronic mail and disk)
Tenet Healthcare Corporation

- Collin Baron, Esq. (via electronic mail and disk)
Pullman & Comley LLC

- Randall Mathieson, Esq. (via electronic mail and disk)
Pullman & Comley LLC

- Attorney Ann Zucker (via electronic mail and disk)
Carmody Torrance Sandak & Hennessey, LLP

Waterbury Health Systems & Vanguard Health Network
Docket Number 13-31838

1. Please address the following regarding staffing at the Hospital by completing “Staffing Attachment I & II.”
 - a. Provide the levels of staffing for fiscal year (“FY”) 2013 broken out as follows:
 - i. Average patient to nursing staff¹ ratios per shift (a.m., p.m. and overnight) for each department and/or unit of the Hospital;
 - ii. The same information as provided in subsection 1(a)(i) above showing the RN to patient ratio only; and
 - iii. The average nursing hours per patient day (NHpPD) for each department and/or unit of the Hospital (all nursing staff should be included in the calculation of nursing hours).

See Attached Exhibit 1.²

- b. Provide the projected levels of staffing by department and/or unit for the Hospital for the first three (3) full FYs following approval of the joint venture broken out as follows:
 - i. Average patient to nursing staff ratios per shift (a.m., p.m. and overnight) for each department and/or unit of the Hospital; and
 - ii. The same information as provided in subsection 1(b)(i) above showing the projected RN to patient ratio only.

See Attached Exhibit 2.²

2. Provide a detailed explanation by department and/or unit as completed by the Applicant in Staffing Attachment I, to reconcile any differences between FY 2013 nursing staff levels and those projected for the first three (3) FYs following approval of the joint venture.

No anticipated changes planned.

3. For FY 2013, describe any other Hospital-employed or Hospital-contracted staff besides nursing staff (e.g., hospitalists, mid-level providers, therapists, etc.) that were engaged to provide direct patient care at the Hospital (collectively, “Ancillary Caregivers”) broken out as follows:
 - a. The type of Ancillary Caregivers and the department and/or unit to which such staff was assigned; and
 - b. The average number of hours per week that such Ancillary Caregivers provided patient care for the department and/or unit.
 - c. For the first three (3) full FYs following approval of the joint venture, the average number of hours per week that such Ancillary Caregivers are projected to provide

¹ Nursing staff consists of registered nurses (RNs), licensed practical nurses (LPNs) and nurses’ aides (NAs) providing direct patient care.

² Staffing ratios are subject to unit configuration and size, technology, acuity and the experience level of the staff.

patient care for each department and/or unit of the Hospital described in subsection 3(a).

See Attached Exhibit 3.²

4. Provide a detailed explanation by department and/or unit to reconcile any differences between the average number of hours per week that the Ancillary Caregivers described in Question 3 above provided patient care in FY 2013 with those projected for the first three (3) full FYs following approval of the joint venture.

No differences have been projected.

5. Provide evidence that the proposed staffing for nursing staff and Ancillary Caregivers for the first three (3) full FYs following approval of the joint venture meet all Connecticut Department of Public Health (“DPH”) staffing requirements and assure continued access to high quality and affordable health care. Be sure to cite the appropriate DPH regulations and/or other industry benchmarks as applicable.

As provided above, no staffing changes are projected. Since the current staffing levels meet all applicable requirements, no additional evidence is needed.

6. In follow-up to Applicants’ response to Question 11 in Applicants’ June 27, 2014 submission, please provide the following:
 - a. A detailed explanation of the proposed relationship that VHS Waterbury Health System, LLC would have to the Regional Provider Organization (“RPO”) described in the response to Question 11 and the impact the RPO would have on VIIS Waterbury Health System, LLC’s operations.

As previously discussed in the response to Question 11 in the Applicants' June 27, 2014, submission, a subsidiary of the RPO would be the majority owner of VHS Waterbury Health System, LLC. The organization chart that was included in the June 27 submission has been revised to more accurately depict this arrangement. The earlier chart had shown VHS Waterbury Management, LLC, as an 80-20 Tenet-YNHH entity. The revised chart, set forth as Exhibit 19, accurately shows VHS Waterbury Management, LLC, as a wholly owned subsidiary of VHS of Connecticut, LLC, and the manager under the terms of the Management Agreement with VHS Waterbury Health System, LLC. The RPO subsidiary is identified in Exhibit 19 as "WH RPO, LLC" and it, rather than VHS Waterbury Management, LLC, is the ownership entity. As was also explained in the response to Question 11, the day-to-day operations of the RPO subsidiaries will be managed by an affiliate of Tenet. Accordingly, the RPO has no management responsibilities or authority and will have no impact on the operations of VHS Waterbury Health System, LLC.

- b. A detailed explanation of the proposed relationship that VHS Waterbury Health System, LLC would have to the Regional Risk Organization (“RRO”) described in the response to

Question 11 and the impact the RRO would have on VHS Waterbury Health System, LLC's operations.

It is anticipated that VHS Waterbury Health System, LLC will participate in the Regional Risk Organization ("RRO") described in response to Question #11 of Applicants' June 27, 2014, submission and, as a result, will benefit from the clinical integration required by the RRO.

- c. A detailed explanation of the proposed relationship that VHS Waterbury Health System, LLC would have to the Regional Physician Network Organization ("RPNO") described in the response to Question 11 and the impact the RPNO would have on VHS Waterbury Health System, LLC's operations.

It is anticipated that physicians employed by VHS Waterbury Health System, LLC and its affiliated medical foundation will participate in the Regional Physician Network Organization ("RPNO") described in response to Question #11 of Applicants' June 27, 2014, submission and that VHS Waterbury Health System, LLC will benefit from clinical integration initiatives made by the RPNO.

7. Please provide copies of all CMS statements of deficiencies and plans of correction (CMS Form 2567) for hospitals owned by Tenet Healthcare Corporation for the three (3) most recently completed federal fiscal years. Provide these documents in an electronic format *only*. PDF file on a CD to accompany the responses. No paper copies required.

It would be extremely cumbersome and time-consuming to obtain these documents as they are kept in hard-copy form at each individual hospital, and there are no aggregate compilations at the corporate level. Furthermore, these documents are not reflective of a hospital's quality of care. Given the vast number of health care regulations and the complexity of hospital operations, it is not unusual for hospitals to receive statements of deficiencies following survey. Importantly, in large part, statements of deficiencies assist a hospital in maintaining patient safety by identifying issues that over time could result in patient safety issues; they generally are not, however, an indication of unsafe care or ineffective hospital operations.

Tenet owns and operates 80 hospitals across the United States. All are currently accredited by The Joint Commission ("TJC") and are subject to unannounced CMS surveys. (One of Tenet's hospitals is a critical access hospital licensed and surveyed by the state. Another hospital is currently accredited by HFAP in good standing, and is scheduled for its initial TJC survey prior to the end of 2014.) Any Tenet hospital receiving a statement of deficiencies following a CMS survey has submitted, within the ten (10) day deadline, a plan of correction. The plans of correction submitted have been approved by CMS and those hospitals have been found in compliance at the time of re-survey. Moreover, none of Tenet's hospitals has been decertified by CMS.

Tenet's record of health and safety is credited to their robust quality program (the "Tenet Quality Program") instituted at all of their hospitals and facilities. Tenet's comprehensive quality program focuses on four key areas: (i) patient safety; (ii) service; (iii) clinical quality, variation and cost of care; and (iv) transparency. Tenet's patient safety program includes

strategies to reduce serious safety events and hospital-acquired conditions and infections, all with a goal of zero patients harmed. Tenet's service program is aimed at achieving meaningful results in patient care experience by targeting performance in patient satisfaction, employee engagement and physician satisfaction. Clinical quality, variation and cost of care involve pursuing continual improvement in clinical outcomes while lowering costs through the reduction of unnecessary clinical variation. Key clinical indicators are tracked through a balanced scorecard with performance tied to the management incentive plan. Transparency is achieved by Tenet's full participation in Federal and state quality reporting programs, as well as numerous other publicly transparent evaluators of performance. Overall, principles of high reliability and transparency are the foundation of the Tenet Quality Program.

In addition to the strong Tenet Quality Program, there are many other objective third party indicators that demonstrate Tenet's commitment to quality and safety. Tenet has achieved the following quality indicators:

1. LeapFrog Safety Scores — hospitals performing well above national average
2. 26 facilities recognized as TJC top performers on key quality measures
3. TJC Disease-Specific Certification —81 Disease-Specific Certification designations
4. 5 Magnet Hospitals — hospitals identified by the American Nurses Credentialing Center as having exceptional nursing standards as well as a good work environment for nurses
5. 1 Pathway to Excellence Hospital - identified by The American Nurses Credentialing Center as a positive work environment for nurses
6. 10 Breast Cancer Centers achieving accreditation by the American College of Surgeons
7. 5 Trauma Centers verified by the American College of Surgeons with resources to provide optimal trauma care
8. 3 hospitals nationally recognized by U.S. News and World Report and 12 hospitals recognized as high performers
9. American Heart Association Get With The Guidelines Awards
 - a. Stroke Recognition (30 Hospitals on Target Stroke Honor Roll-highest recognition, 32 Gold Plus, 4 Gold, 5 Silver Plus)
 - b. Heart Failure Award Recognition (35 Gold Plus, 3 Gold, 8 Silver Plus = 46 hospitals out of 51 participants)

Tenet has a strong commitment to ensuring patient safety and health care quality. The Tenet Quality Program is critical to the operation of each of its hospitals and facilities and will be fully instituted in the hospitals Tenet is seeking to acquire in Connecticut.

8. Provide a copy of any of the following policies and procedures that will be in place at the Hospital if the proposed joint venture is approved:
 - a. Hospital Collection Policies (including charity care and bad debt).

See Attached Exhibit 4.

- b. The annual or periodic review and/or revision to the Hospital's pricing structure (the Hospital's chargemaster or pricemaster).

None

- c. The annual or periodic market rate assessment for the Hospital.

None

- 9. The Hospital has provided OHCA with its annual FY 2014 pricemaster, which was most recently updated for the month of June, 2014. With respect to this submission, please answer the following:

- a. Will the Hospital's pricemaster change as a result of the joint venture?

No.

- b. If so, please identify any anticipated increases or decreases to the Hospital's pricemaster as a result of the joint venture.

Not Applicable.

- c. Please quantify the overall percentage increase or decrease in the Hospital's pricemaster that is anticipated in subsection 9(ii) above and explain the rationale for such change.

Not Applicable.

- 10. With respect to Revised Financial Attachments provided in Exhibit 20 of Applicant's June 27, 2014 submission, please revise Financial Attachments 1A, 1B and 1C to include the following:

- a. Financial Attachment 1A – actual results for FY 2013 and three years of projections of revenue, expense, ratios and volume statistics without the CON proposal that will include FY 2017;

See Attached Exhibit 5.

- b. Financial Attachment 1B – three years of projections of revenue, expense, ratios and volume statistics with the CON and incremental to the proposal that will include FY 2017; and

See Attached Exhibit 6.

- c. Financial Attachment 1C – three years of projections of revenue, expense, ratios and volume statistics without, incremental to, and with the CON the proposal that will include FY 2017.

See Attached Exhibit 7.

- 11. Please provide for both the Hospital only and for GWHN monthly operating statistics in the same format as provided in Exhibit 9 of the June 27, 2014 submission (FY 2014 current month and year-to-date, and comparable period for FY 2013 as well as accompanying financial ratios and labor statistics) starting from May 2014 and continuing on a monthly basis for each month,

until a public hearing in this matter is held. The following should be addressed in the financial measurements or indicators to be provided:

Monthly Financial Measurement/Indicators	
A. <u>Operating Performance</u>	
Operating Margin	
Non-Operating Margin	
Total Margin	
Bad Debt as % Gross Revenue	
B. <u>Liquidity</u>	
Current Ratio	
Days Cash on Hand	
Days in Net Accounts Receivables	
Average Payment Period	
C. <u>Leverage and Capital Structure</u>	
Long-term Debt to Equity	
Long-term Debt to Capitalization	
Unrestricted Cash to Debt	
Times Interest Earned Ratio	
Debt Service Coverage Ratio	
Equity Financing Ratio	
D. <u>Additional Statistics</u>	
Income from Operations	
Revenue Over/(Under) Expense	
Patient Cash Collected	
Cash and Cash Equivalents	
Net working Capital	
Unrestricted Assets	
Credit Ratings (S&P, FITCH and Moody's)	

See Attached Exhibit 8 for Hospital only. See Attached Exhibit 9 for GWHN.

Exhibit 1: Current Staffing Levels

Question No. 1 - Please address the following regarding staffing at the Hospital by completing the "Staffing Attachment I & II"
 a. Provide the levels of staffing for fiscal year ("FY") 2013 broken out as follows:
 i.) Average patient to nursing staff (1) ratios per shift (a.m., p.m. and overnight) for each department and/or unit of the Hospital
 ii.) The same information as provided in subsection 1 (a) (i) above showing the RN to patient ratio only; and
 iii.) The average nursing hours per patient day (NHPPD) for each department and/or unit of the Hospital (all nursing staff should be included in the calculations of nursing hours).

Staffing Attachment I
Question No. 1 - Part a

Current Staffing Levels				
Department or Unit Name	Shift #1 AM	Shift #2 PM	Shift #3 overnight	Average Nursing staff to patient ratio - Item no. i
CVU RN	1:2-3	only two shifts	1:2-3	
CVU PCA	1:8	not applicable	not applicable	
ICU RN	1:2-3	only two shifts	1:2-3	
ICU PCA	1:8-10	1:8-10	1:8-10	
Family Birthing Center (Post Partum-cuplets) RN	1:3-4	only two shifts	1:3-4	
Family Birthing Center (Post Partum-cuplets) PCA	1*	1*	not applicable	
Labor and Delivery RN	1:1	only two shifts	1:1	
Special Care Nursery RN	1:2-3	1:2-3	1:2-3	
Well Baby Nursery RN	N/A	N/A	1:6	
Telemetry RN	1:4-5		1:5-6	
Telemetry PCA	1:6-8 + Monitor Watcher	1:6-8 + Monitor Watcher	1:6-8 + Monitor Watcher	
Pomeroy 5 (Gen Med) RN	1:5-6	1:6-7	1:7-8	
Pomeroy 5 (Gen Med) PCA	1:8	1:8-10	1:10	
Pomeroy 6 (Observation Unit) RN	1:6-7		1:6-7	
Pomeroy 6 (Observation Unit) PCA	1:8	1:8-10	1:10	
Pomeroy 7 (Neuro/Ortho) RN	1:5-6	1:6-7	1:7-8	
Pomeroy 7 (Neuro/Ortho) PCA	1:6-8	1:8-10	1:10	
Pomeroy 8 (Behavioral Health) RN	1:6-8	1:6-8	1:8-12	
Pomeroy 8 (Behavioral Health) Monday through Saturday	Admit RN 11a-11p	Admit RN 11a-11p		
Pomeroy 8 PCA	1*	1*	1*	
Behavioral Health ED RN	1:3-4	1:3-4	1:3-4	
Pomeroy 9 (Gen Med/Surg) RN	1:5-6	1:6-7	1:7-8	
Pomeroy 9 (Gen Med/Surg) PCA	1:8	1:8-10	1:10	
Emergency Department RN	1:4-5	1:4-5	1:4-5	
Emergency Department PCA				

Footnote - (1) Nursing staff consists of registered nurses (RNs), licensed practical nurses (LPNs) and nurses' aides (Nas) providing direct patient care. Also included are Surgical and Psychiatric technicians as they provide during patient care also
 *staffing not ratio driven

Current Staffing Levels				
Shift #1 AM	Shift #2 PM	Shift #3 overnight	Average RN to Patient Ratio - Item no. ii	
1:2-3	only two shifts	1:2-3		
1:2-3	only two shifts	1:2-3		
1:3-4	only two shifts	1:3-4		
1:1	only two shifts	1:1		
1:2-3	1:2-3	1:2-3		
N/A	N/A	1:6		
1:4-5		1:5-6		
1:6-8 + Monitor Watcher	1:6-8 + Monitor Watcher	1:6-8 + Monitor Watcher		
1:5-6	1:6-7	1:7-8		
1:6-7		1:6-7		
1:5-6	1:6-7	1:7-8		
1:6-8	1:6-8	1:8-12		
Admit RN 11a-11p	Admit RN 11a-11p			
1:3-4	1:3-4	1:3-4		
1:5-6	1:6-7	1:7-8		
1:4-5	1:4-5	1:4-5		

Current Staffing Levels		
NHPPD	Comments	Avg Nursing Hrs/Pt Day - Item no. iii
14	*RNs work 12 hour shifts (7a-7p, 7p-7a)	
14	*RNs work 12 hour shifts (7a-7p, 7p-7a)	
12.85	*RNs work 12 hour shifts (7a-7p, 7p-7a)	
12.85	*RNs work 12 hour shifts (7a-7p, 7p-7a)	
12	Only open on night shift	
9.3	*RNs work 12 hour shifts (7a-7p, 7p-7a)	
7.1		
7.1	*RNs work 12 hour shifts	
8		
7.4		
6		
7		

Exhibit 2: Projected Staffing Levels FY 2015-2017

Use LEGAL, Regular or Part

Question No. 1 - Please address the following regarding staffing at the hospital by completing the "Staffing Attachment 1 & 1"
 b. Provide the projected levels of staffing by department and/or unit for the first three (3) full FYS following approval of the joint venture broken out as follows:
 1.) Average patient to nursing staff (1) ratio per shift (a.m., p.m., and overnight) for each department and/or unit of the hospital
 1.) The same information as provided in subsection 1 (b) (i) show showing the RN to patient ratio only.

Staffing Attachment 1

Projected Staffing Level FY 2015 - Year 1

Question No. 1 - Part b		Current Staffing Levels		Current Staffing Levels	
		Average Nurse (1) to Patient Ratio - Item no. 1		Average RN to Patient Ratio - Item no. 1	
Department or Unit Name	Shift	Shift 1: AM	Shift 2: PM	Shift 3: AM	Shift 4: Overnight
CUU/RN	1:2-3	only two shifts	only two shifts	only two shifts	1:2-3
CUU/PCA	1:8	not applicable	not applicable	not applicable	not applicable
ICU/RN	1:2-3	only two shifts	only two shifts	only two shifts	1:2-3
ICU/PCA	1:8-10	1:8-10	1:8-10	1:8-10	1:8-10
Family Birthing Center (Post Partum-couples) RN	1:3-4	only two shifts	only two shifts	only two shifts	1:3-4
Family Birthing Center (Post Partum-couples) PCA	1*	not applicable	not applicable	not applicable	not applicable
Labor and Delivery RN	1:1	only two shifts	only two shifts	only two shifts	1:1
Special Care Nursery RN	1:2-3	1:2-3	1:2-3	1:2-3	1:2-3
Special Care Nursery PCA	1:4-5	N/A	N/A	N/A	1:5-6
Telemetry RN	1:4-5	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor
Telemetry PCA	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor
Pomeroy 5 (Gen Med) RN	1:5-6	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 5 (Gen Med) PCA	1:8	1:8-10	1:8-10	1:8-10	1:10
Pomeroy 6 (Observation Unit) RN	1:6-7	1:6-7	1:6-7	1:6-7	1:6-7
Pomeroy 6 (Observation Unit) PCA	1:8	1:8-10	1:8-10	1:8-10	1:10
Pomeroy 7 (Neuro/Otho) RN	1:5-6	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 7 (Neuro/Otho) PCA	1:8-8	1:8-10	1:8-10	1:8-10	1:10
Pomeroy 8 (Behavioral Health) RN	1:6-8	1:6-8	1:6-8	1:6-8	1:8-12
Pomeroy 8 (Behavioral Health) Monday through Friday	Admin. RN 11a-11p	Admin. RN 11a-11p	Admin. RN 11a-11p	Admin. RN 11a-11p	1*
Pomeroy 8 (Behavioral Health) PCA	1:3-4	1:3-4	1:3-4	1:3-4	1:3-4
Behavioral Health ED RN	1:5-6	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 9 (Gen Med/Surg) RN	1:6-7	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 9 (Gen Med/Surg) PCA	1:8-10	1:8-10	1:8-10	1:8-10	1:10
Emergency Department RN	1:4-5	1:4-5	1:4-5	1:4-5	1:4-5
Emergency Department PCA					

Staffing Attachment 1

Projected Staffing Level FY 2016 - Year 2

Question No. 1 - Part b		Current Staffing Levels		Current Staffing Levels	
		Average Nurse (1) to Patient Ratio - Item no. 1		Average RN to Patient Ratio - Item no. 1	
Department or Unit Name	Shift	Shift 1: AM	Shift 2: PM	Shift 3: AM	Shift 4: Overnight
CUU/RN	1:2-3	only two shifts	only two shifts	only two shifts	1:2-3
CUU/PCA	1:8	not applicable	not applicable	not applicable	not applicable
ICU/RN	1:2-3	only two shifts	only two shifts	only two shifts	1:2-3
ICU/PCA	1:8-10	1:8-10	1:8-10	1:8-10	1:8-10
Family Birthing Center (Post Partum-couples) RN	1:3-4	only two shifts	only two shifts	only two shifts	1:3-4
Family Birthing Center (Post Partum-couples) PCA	1*	not applicable	not applicable	not applicable	not applicable
Labor and Delivery RN	1:1	only two shifts	only two shifts	only two shifts	1:1
Special Care Nursery RN	1:2-3	1:2-3	1:2-3	1:2-3	1:2-3
Special Care Nursery PCA	1:4-5	N/A	N/A	N/A	1:5-6
Telemetry RN	1:4-5	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor
Telemetry PCA	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor
Pomeroy 5 (Gen Med) RN	1:5-6	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 5 (Gen Med) PCA	1:8	1:8-10	1:8-10	1:8-10	1:10
Pomeroy 6 (Observation Unit) RN	1:6-7	1:6-7	1:6-7	1:6-7	1:6-7
Pomeroy 6 (Observation Unit) PCA	1:8	1:8-10	1:8-10	1:8-10	1:10
Pomeroy 7 (Neuro/Otho) RN	1:5-6	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 7 (Neuro/Otho) PCA	1:8-8	1:8-10	1:8-10	1:8-10	1:10
Pomeroy 8 (Behavioral Health) RN	1:6-8	1:6-8	1:6-8	1:6-8	1:8-12
Pomeroy 8 (Behavioral Health) Monday through Friday	Admin. RN 11a-11p	Admin. RN 11a-11p	Admin. RN 11a-11p	Admin. RN 11a-11p	1*
Pomeroy 8 (Behavioral Health) PCA	1:3-4	1:3-4	1:3-4	1:3-4	1:3-4
Behavioral Health ED RN	1:5-6	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 9 (Gen Med/Surg) RN	1:6-7	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 9 (Gen Med/Surg) PCA	1:8-10	1:8-10	1:8-10	1:8-10	1:10
Emergency Department RN	1:4-5	1:4-5	1:4-5	1:4-5	1:4-5
Emergency Department PCA					

Staffing Attachment 1

Projected Staffing Level FY 2017 - Year 3

Question No. 1 - Part b		Current Staffing Levels		Current Staffing Levels	
		Average Nurse (1) to Patient Ratio - Item no. 1		Average RN to Patient Ratio - Item no. 1	
Department or Unit Name	Shift	Shift 1: AM	Shift 2: PM	Shift 3: AM	Shift 4: Overnight
CUU/RN	1:2-3	only two shifts	only two shifts	only two shifts	1:2-3
CUU/PCA	1:8	not applicable	not applicable	not applicable	not applicable
ICU/RN	1:2-3	only two shifts	only two shifts	only two shifts	1:2-3
ICU/PCA	1:8-10	1:8-10	1:8-10	1:8-10	1:8-10
Family Birthing Center (Post Partum-couples) RN	1:3-4	only two shifts	only two shifts	only two shifts	1:3-4
Family Birthing Center (Post Partum-couples) PCA	1*	not applicable	not applicable	not applicable	not applicable
Labor and Delivery RN	1:1	only two shifts	only two shifts	only two shifts	1:1
Special Care Nursery RN	1:2-3	1:2-3	1:2-3	1:2-3	1:2-3
Special Care Nursery PCA	1:4-5	N/A	N/A	N/A	1:5-6
Telemetry RN	1:4-5	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor
Telemetry PCA	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor	1:6-8 + Monitor
Pomeroy 5 (Gen Med) RN	1:5-6	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 5 (Gen Med) PCA	1:8	1:8-10	1:8-10	1:8-10	1:10
Pomeroy 6 (Observation Unit) RN	1:6-7	1:6-7	1:6-7	1:6-7	1:6-7
Pomeroy 6 (Observation Unit) PCA	1:8	1:8-10	1:8-10	1:8-10	1:10
Pomeroy 7 (Neuro/Otho) RN	1:5-6	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 7 (Neuro/Otho) PCA	1:8-8	1:8-10	1:8-10	1:8-10	1:10
Pomeroy 8 (Behavioral Health) RN	1:6-8	1:6-8	1:6-8	1:6-8	1:8-12
Pomeroy 8 (Behavioral Health) Monday through Friday	Admin. RN 11a-11p	Admin. RN 11a-11p	Admin. RN 11a-11p	Admin. RN 11a-11p	1*
Pomeroy 8 (Behavioral Health) PCA	1:3-4	1:3-4	1:3-4	1:3-4	1:3-4
Behavioral Health ED RN	1:5-6	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 9 (Gen Med/Surg) RN	1:6-7	1:6-7	1:6-7	1:6-7	1:7-8
Pomeroy 9 (Gen Med/Surg) PCA	1:8-10	1:8-10	1:8-10	1:8-10	1:10
Emergency Department RN	1:4-5	1:4-5	1:4-5	1:4-5	1:4-5
Emergency Department PCA					

Footnote - (1) Nursing staff consists of registered nurses (RNs), licensed practical nurses (LPNs) and nurses aides (NAs) providing direct patient care.

Exhibit 3: FY 2013 Ancillary Care Providers Hours

EXHIBIT 3

		FY-13 Staffing Hours			Projected Staffing Hours		
		FY-15	FY-16	FY-17	FY-15	FY-16	FY-17
		FY-13 Staffing Hours			Projected Staffing Hours		
		Item a.			Item c.		
	Department	Ancillary Care Provider			Avg. # hours /week care provided		
Cardiology		Echocardiographer		72		72	72
Cardiology		Stress Testing -Technician		40		40	40
Cardiology		Stress Testing - APRN		30		30	30
Cardiology		Cardiac Rehab- RN and Techs		96		96	96
Pulmonary Function Lab		Pulmonary Function Lab		16		16	16
Radiology		Radiology Technicians		557		557	557
Radiology		Ultrasonographers		204		204	204
Radiology		CT Technicians		220		220	220
Radiology		Interventional Radiology RN		120		120	120
Radiology		Interventional Radiology Technician		120		120	120
Radiology		Nuclear Medicine Technician		80		80	80

Department	Ancillary Care Provider	Avg. # hours /week care provided	FY 1	FY 2	FY 3
Hemodialysis Contracted Service	RNs	65	65	65	65
Emergency Department	Physician Assistants	280	280	280	280
Respiratory Therapy	Respiratory Therapists	662	662	662	662
Laboratory Services	Laboratory Personnel	1,772	1,772	1,772	1,772
Laboratory Services	Phlebotomists	780	780	780	780
Pharmacy	Pharmacists	378	458	458	458
Rehabilitation	Physical Therapists	202	202	202	202
Rehabilitation	Physical Therapy Assistants	120	96	96	96
Rehabilitation	Occupational Therapists	24	24	24	24
Rehabilitation	Occupational Therapy Assistant	23	24	24	24
Rehabilitation	Speech Therapists	25	40	40	40
Sleep Laboratory	Sleep Lab Personnel	240	240	240	240
Cardiac Diagnostics	APRN	40	40	40	40
Cardiac Diagnostics	Anticoagulation Specialist	64	64	64	64

Department	Ancillary Care Provider	Avg. # hours /week care provided	FY 1	FY 2	FY 3
Cardiac Diagnostics	Anticoagulation Clinician	24	24	24	24
Cardiac Diagnostics	Nuclear Medicine Technician	70	70	70	70
Cardiac Diagnostics	Echocardiographer	80	80	80	80
Cardiac Diagnostics	Stress Testing RNs	80	80	80	80
Cardiac Diagnostics	Medical Assistants	152	152	152	152
EEG	EEG Technologists	64	64	64	64
Hospitalists Program	Physician	397	588	588	588
Hospitalists Program	Physician Assistants	112	120	120	120
Orthopedic Program	Physician Assistants	271	300	300	300
Surgical Program	Physician Assistants	40	80	80	80
Gastroenterology	RNs	184	184	184	184
Gastroenterology	GI Techs	72	72	72	72
Outpatient Medical Therapy	RNs	208	208	208	208
Catheterization Lab	Cath Lab RNs	160	160	160	160

Department	Ancillary Care Provider	Avg. # hours /week care provided	FY 1	FY 2	FY 3
Catheterization Lab	Cath Lab Techs	142	142	142	142
Operating Room	RNs	748	748	748	748
Operating Room	Surgical Techs	536	536	536	536
Operating Room	OR Nursing Assistants	341	341	341	341
Post Anesthesia Care Unit	RNs	288	288	288	288
One Day Surgery	RNs	616	616	616	616
One Day Surgery	PCAs	236	236	236	236
Food and Nutrition	Clinical Dietician	104	104	104	104

Exhibit 4: Charity Care Policy

WATERBURY HOSPITAL
ADMINISTRATIVE POLICY & PROCEDURE MANUAL

POLICY: CHARITY CARE		
CATEGORY: MANAGEMENT OF INFORMATION		PAGE (s): 3
OWNER: DIRECTOR, PATIENT ACCOUNTS & FINANCIAL SERVICES		ORIGINATED: 12/5/97 (From PAFS manual)
LAST REVIEWED: 11/11	LAST REVISED: 8/13	RETIRED:

SCOPE: Determination of when charity care is appropriate.

PURPOSE: To make provisions for situations in which charity care is appropriate based on aggregate balance and Encounter review.

POLICY: It is the policy of Waterbury Hospital to appropriately offer charity care in situations where the responsible party for the balance due does not have the financial resources necessary to satisfy their obligation within a reasonable period of time.

1. All patients who request consideration for charity care will be required to apply for public assistance in addition to completing a charity care application unless identified as ineligible by a qualified case worker.
2. In order to be considered for charity care, full financial disclosure is required including:
 - a. All sources of income available at the time of application;
 - b. Assets excluding:
 - i. Primary Residence;
 - ii. Vehicles required for commuting to or facilitating employment;
 - iii. Retirement Accounts.
3. Responsible parties with assets of \$7,500 or less (\$15,000 for a couple) will receive the following discounts based on their annual household income and the published federal poverty guidelines in effect at the date of application:

Income as a % of FPL	Discount
<200%	100%
<= 225%	60%
<= 275%	40%
<= 300%	20%
<= 400%	10%

4. Charity care discounts are to be applied after the 50% uninsured discount from charges.
5. Documentation required to validate declarations made on the charity care application shall include:
 - a. A credit report;
 - b. Most recent 1040 tax return;
 - c. Copies of all bank statements to include but not limited to:
 - i. Checking accounts;
 - ii. Savings accounts;
 - iii. Investment accounts;
 - iv. Certificates of deposit
 - d. Proof of income for the immediate 12 months preceding the application date.
 - e. Public assistance determination.

PROCEDURE:

1. The availability of charity care will be disclosed on all dunning notices issued prior to had debt assignment.
2. Patients who indicate they are unable to pay for services rendered will be offered charity care;
3. Financial Counselors shall evaluate each applicant's eligibility.
4. Accounts determined to be eligible for charity care discounts shall require the following authorization based on amount to be adjusted:
 - a. PAFS Manager < \$5,000
 - b. PAFS Director \$5,000 or more
 - c. Chief Financial Officer \$10,000 or more
5. Patients shall be issued a determination letter within 30 days of receipt of a completed charity care application.
6. ~~Patients who do not apply for or do not qualify for charity care will be expected to pay the balance due. For uninsured patients, this will be equivalent to 50% of charges. Insured patients will be expected to pay any deductible or co-payment due in addition to 50% of non-covered charges.~~
7. ~~Patient who do not enter into a payment plan or pay satisfy the balance due will be placed with a collection agency for further collection efforts. The collection agency may report the balance due to credit reporting bureaus and/or initiate legal action to resolve the debt.~~

WATERBURY HOSPITAL
ADMINISTRATIVE POLICY & PROCEDURE MANUAL

Approved: 
Mark Sammartano
Director, PAFS

8/8/13
Date

Approved: 
CFO/VP Finance

2/12/2014
Date

Exhibit 5: Financial Attachment 1A

Greater Waterbury Health Network, Inc. (Not-For Profit)

Please provide one year of actual results and three years of **Total Hospital Health System** projections of revenue, expense, ratios and volume statistics without the CON proposal, in the following reporting format:

<u>Total Hospital Health System:</u>	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Description	Actual Results	Projected W/out CON	Projected W/out CON	Projected W/out CON	Projected W/out CON	Projected W/out CON
NET PATIENT REVENUE						
Non-Government	\$121,753,453	\$121,554,093	\$118,893,224	\$118,731,223	\$121,402,653	\$124,133,934
Medicare	\$112,518,145	\$95,591,467	\$93,498,930	\$93,371,531	\$95,472,373	\$97,620,283
Medicaid and Other Medical Assistance	\$39,212,500	\$42,251,697	\$41,326,790	\$41,270,479	\$42,199,057	\$43,148,439
Other Government	\$0	\$0	\$0	\$0	\$0	\$0
Total Net Patient Patient Revenue	\$273,484,098	\$259,397,257	\$253,718,944	\$253,373,233	\$259,074,084	\$264,902,656
Other Operating Revenue	\$13,227,694	\$12,423,300	\$9,524,851	\$8,610,100	\$8,696,201	\$8,783,163
Revenue from Operations	\$286,711,792	\$271,820,557	\$263,243,796	\$261,983,333	\$267,770,285	\$273,685,819
OPERATING EXPENSES						
Salaries and Fringe Benefits	\$164,634,663	\$152,117,220	\$148,922,679	\$151,380,423	\$153,881,212	\$156,425,869
Professional / Contracted Services	\$45,267,639	\$46,350,974	\$45,680,625	\$46,594,237	\$47,526,122	\$48,476,644
Supplies and Drugs	\$35,319,374	\$37,493,786	\$38,298,882	\$39,582,421	\$40,905,810	\$42,270,258
Bad Debts	\$10,966,628	\$11,368,671	\$8,338,684	\$8,512,228	\$8,689,441	\$8,870,403
Other Operating Expense	\$16,836,637	\$14,896,914	\$15,901,066	\$16,219,087	\$16,543,469	\$16,874,338
Subtotal	\$273,024,941	\$262,227,565	\$257,141,935	\$262,288,395	\$267,546,054	\$272,917,513
Depreciation/Amortization	\$9,421,601	\$8,996,581	\$9,086,547	\$9,177,412	\$9,269,186	\$9,361,878
Interest Expense	\$1,237,849	\$1,125,827	\$1,137,085	\$1,148,456	\$1,159,941	\$1,171,540
Lease Expense	\$2,825,478	\$2,955,957	\$2,784,179	\$2,839,862	\$2,896,660	\$2,954,593
Total Operating Expense	\$286,509,869	\$275,305,930	\$270,149,746	\$275,454,126	\$280,871,840	\$286,405,524
Gain/(Loss) from Operations	\$201,923	(\$3,485,373)	(\$6,905,950)	(\$13,470,793)	(\$13,101,555)	(\$12,719,705)
Plus: Non-Operating Revenue	\$2,087,588	\$2,568,897	\$2,594,586	\$2,620,532	\$2,646,737	\$2,673,205
Revenue Over/(Under) Expense	\$2,289,511	(\$916,476)	(\$4,311,364)	(\$10,850,261)	(\$10,454,818)	(\$10,046,501)
Profit Margins:						
Operating	0.1%	-1.3%	-2.6%	-5.1%	-4.8%	-4.6%
Non-Operating	0.7%	0.9%	1.0%	1.0%	1.0%	1.0%
Total Margin	0.8%	-0.3%	-1.6%	-4.1%	-3.9%	-3.6%
Debt Principal Payments	\$1,030,933	\$1,163,408	\$1,166,685	\$942,200	\$797,032	\$663,600
Capital Structure Ratios:						
Capital Expense	372%	368%	378%	375%	371%	368%
Times Interest Earned	2.85	0.19	-2.79	-8.45	-8.01	-7.58
Debt Service Coverage	5.71	4.02	2.57	-0.25	-0.01	0.27
FTEs						
FTEs	1,730	1,585	1,562	1,549	1,540	1,531
IP Cases	12,364	10,963	10,717	10,664	10,610	10,557
OP Cases	184,631	179,395	180,292	181,193	182,099	183,010

Projections to be complete prior to and 3 years past the joint venture. Add columns as necessary.

*Volume Statistics:

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

Exhibit 6: Financial Attachment 1B

Future Joint Venture "LLC" (For Profit)

Please provide three years of **Total Hospital Health System** projections of revenue, expense, ratios and volume statistics with the CON and incremental to the proposal in the following reporting format:

<u>Total Hospital Health System:</u>		FY 14	FY 14	FY 15	FY 15	FY 16	FY 16	FY 17	FY 17
<u>Description</u>	Projected Incremental	Projected With CON	Projected Incremental	Projected With CON	Projected Incremental	Projected With CON	Projected Incremental	Projected With CON	Projected With CON
NET PATIENT REVENUE									
Non-Government	\$119,927,423	\$119,927,423	\$120,823,136	\$120,823,136	\$124,604,727	\$124,604,727	\$128,500,609	\$128,500,609	
Medicare	\$94,312,236	\$94,312,236	\$95,016,634	\$95,016,634	\$97,990,519	\$97,990,519	\$101,054,283	\$101,054,283	
Medicaid and Other Medical Assistance	\$41,686,273	\$41,686,273	\$41,997,619	\$41,997,619	\$43,312,085	\$43,312,085	\$44,666,277	\$44,666,277	
Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Net Patient Revenue	\$255,925,932	\$255,925,932	\$257,837,389	\$257,837,389	\$265,907,331	\$265,907,331	\$274,221,168	\$274,221,168	
Other Operating Revenue	\$3,715,855	\$3,715,855	\$2,743,013	\$2,743,013	\$2,770,443	\$2,770,443	\$2,798,148	\$2,798,148	
Revenue from Operations	\$259,641,786	\$259,641,786	\$260,580,403	\$260,580,403	\$268,677,774	\$268,677,774	\$277,019,316	\$277,019,316	
OPERATING EXPENSES									
Salaries and Fringe Benefits	\$146,261,791	\$146,261,791	\$147,310,906	\$147,310,906	\$150,766,127	\$150,766,127	\$154,334,518	\$154,334,518	
Professional / Contracted Services	\$45,680,625	\$45,680,625	\$46,594,237	\$46,594,237	\$47,526,122	\$47,526,122	\$48,476,644	\$48,476,644	
Supplies and Drugs	\$38,920,310	\$38,920,310	\$40,549,074	\$40,549,074	\$42,241,199	\$42,241,199	\$43,999,127	\$43,999,127	
Bad Debts	\$7,385,402	\$7,385,402	\$6,578,410	\$6,578,410	\$6,777,243	\$6,777,243	\$6,982,076	\$6,982,076	
Other Operating Expense	\$13,724,489	\$13,724,489	\$13,486,471	\$13,486,471	\$13,726,883	\$13,726,883	\$13,971,810	\$13,971,810	
Subtotal	\$251,972,615	\$251,972,615	\$254,519,099	\$254,519,099	\$261,037,573	\$261,037,573	\$267,764,175	\$267,764,175	
Depreciation/Amortization	\$3,761,224	\$3,761,224	\$4,322,449	\$4,322,449	\$4,883,673	\$4,883,673	\$5,444,898	\$5,444,898	
Interest Expense	\$344,651	\$344,651	\$648,980	\$648,980	\$1,249,302	\$1,249,302	\$1,817,656	\$1,817,656	
Lease Expense	\$2,784,179	\$2,784,179	\$2,839,862	\$2,839,862	\$2,896,660	\$2,896,660	\$2,954,593	\$2,954,593	
Total Operating Expenses	\$258,862,669	\$258,862,669	\$262,330,390	\$262,330,390	\$270,067,209	\$270,067,209	\$277,981,322	\$277,981,322	
Income (Loss) from Operations	\$79,117	\$79,117	(\$1,749,987)	(\$1,749,987)	(\$1,389,435)	(\$1,389,435)	(\$962,006)	(\$962,006)	
Non-Operating Income	(\$5,210,882)	(\$5,210,882)	(\$5,245,795)	(\$5,245,795)	(\$5,403,765)	(\$5,403,765)	(\$5,566,500)	(\$5,566,500)	
Income before provision for income taxes	(\$4,431,766)	(\$4,431,766)	(\$6,995,782)	(\$6,995,782)	(\$6,793,200)	(\$6,793,200)	(\$6,528,506)	(\$6,528,506)	
Provision for income taxes	(\$1,772,706)	(\$1,772,706)	(\$2,798,313)	(\$2,798,313)	(\$2,717,280)	(\$2,717,280)	(\$2,611,402)	(\$2,611,402)	
Net Income	(\$2,659,059)	(\$2,659,059)	(\$4,197,469)	(\$4,197,469)	(\$4,075,920)	(\$4,075,920)	(\$3,917,103)	(\$3,917,103)	
Retained earnings, beginning of year		\$0		(\$2,659,059)		(\$6,856,528)		(\$10,932,448)	
Retained earnings, end of year				(\$4,197,469)		(\$10,932,448)		(\$14,849,552)	
Profit Margins:									
Operating	0%	0.3%	-1%	-0.7%	-1%	-0.5%	0%	-0.4%	
Non-Operating	-2%	-2.0%	-2%	-2.1%	-2%	-2.1%	-2%	-2.1%	
Total Margin	-1%	-1.0%	-2%	-1.6%	-2%	-1.5%	-1%	-1.4%	
Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Capital Structure Ratios:									
Capital Expense	1.59	159%	1.90	190%	2.27	227%	2.61	261%	
Times Interest Earned	-672%	-6.72	-547%	-5.47	-226%	-2.26	-116%	-1.16	
Debt Service Coverage	420%	4.20	119%	1.19	165%	1.65	184%	1.84	
FTEs	1,574	1,574	1,573	1,573	1,576	1,576	1,579	1,579	
IP Cases	10,771	10,771	10,771	10,771	10,771	10,771	10,771	10,771	
OP Cases	180,292	180,292	181,193	181,193	182,099	182,099	183,010	183,010	

First 3 years of the new joint venture LLC and use the W/O CON from FA1(A)

*Volume Statistics:

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

Exhibit 7: Financial Attachment 1C

Future Joint Venture "LLC" (For Profit)

Please provide three years of **Total Hospital Health System** projections of revenue, expense, ratios and volume statistics with the CON and incremental to the proposal in the following reporting format:

<u>Total Hospital Health System:</u>		FY 14	FY 14	FY 15	FY 15	FY 16	FY 16	FY 17	FY 17
<u>Description</u>	Projected Incremental	Projected With CON	Projected Incremental	Projected With CON	Projected Incremental	Projected With CON	Projected Incremental	Projected With CON	Projected With CON
NET PATIENT REVENUE									
Non-Government	\$119,927,423	\$119,927,423	\$120,823,136	\$120,823,136	\$124,604,727	\$124,604,727	\$128,500,609	\$128,500,609	
Medicare	\$94,312,236	\$94,312,236	\$95,016,634	\$95,016,634	\$97,990,519	\$97,990,519	\$101,054,283	\$101,054,283	
Medicaid and Other Medical Assistance	\$41,686,273	\$41,686,273	\$41,997,619	\$41,997,619	\$43,312,085	\$43,312,085	\$44,666,277	\$44,666,277	
Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Net Patient Revenue	\$255,925,932	\$255,925,932	\$257,837,389	\$257,837,389	\$265,907,331	\$265,907,331	\$274,221,168	\$274,221,168	
Other Operating Revenue	\$3,715,855	\$3,715,855	\$2,743,013	\$2,743,013	\$2,770,443	\$2,770,443	\$2,798,148	\$2,798,148	
Revenue from Operations	\$259,641,786	\$259,641,786	\$260,580,403	\$260,580,403	\$268,677,774	\$268,677,774	\$277,019,316	\$277,019,316	
OPERATING EXPENSES									
Salaries and Fringe Benefits	\$146,261,791	\$146,261,791	\$147,310,906	\$147,310,906	\$150,766,127	\$150,766,127	\$154,334,518	\$154,334,518	
Professional / Contracted Services	\$45,680,625	\$45,680,625	\$46,594,237	\$46,594,237	\$47,526,122	\$47,526,122	\$48,476,644	\$48,476,644	
Supplies and Drugs	\$38,920,310	\$38,920,310	\$40,549,074	\$40,549,074	\$42,241,199	\$42,241,199	\$43,999,127	\$43,999,127	
Bad Debts	\$7,385,402	\$7,385,402	\$6,578,410	\$6,578,410	\$6,777,243	\$6,777,243	\$6,982,076	\$6,982,076	
Other Operating Expense	\$13,724,489	\$13,724,489	\$13,486,471	\$13,486,471	\$13,726,883	\$13,726,883	\$13,971,810	\$13,971,810	
Subtotal	\$251,972,615	\$251,972,615	\$254,519,099	\$254,519,099	\$261,037,573	\$261,037,573	\$267,764,175	\$267,764,175	
Depreciation/Amortization	\$3,761,224	\$3,761,224	\$4,322,449	\$4,322,449	\$4,883,673	\$4,883,673	\$5,444,898	\$5,444,898	
Interest Expense	\$344,651	\$344,651	\$648,980	\$648,980	\$1,249,302	\$1,249,302	\$1,817,656	\$1,817,656	
Lease Expense	\$2,784,179	\$2,784,179	\$2,839,862	\$2,839,862	\$2,896,660	\$2,896,660	\$2,954,593	\$2,954,593	
Total Operating Expenses	\$258,862,669	\$258,862,669	\$262,330,390	\$262,330,390	\$270,067,209	\$270,067,209	\$277,981,322	\$277,981,322	
Income (Loss) from Operations	\$79,117	\$79,117	(\$1,749,987)	(\$1,749,987)	(\$1,389,435)	(\$1,389,435)	(\$962,006)	(\$962,006)	
Non-Operating Income	(\$5,210,882)	(\$5,210,882)	(\$5,245,795)	(\$5,245,795)	(\$5,403,765)	(\$5,403,765)	(\$5,566,500)	(\$5,566,500)	
Income before provision for income taxes	(\$4,431,766)	(\$4,431,766)	(\$6,995,782)	(\$6,995,782)	(\$6,793,200)	(\$6,793,200)	(\$6,528,506)	(\$6,528,506)	
Provision for income taxes	(\$1,772,706)	(\$1,772,706)	(\$2,798,313)	(\$2,798,313)	(\$2,717,280)	(\$2,717,280)	(\$2,611,402)	(\$2,611,402)	
Net Income	(\$2,659,059)	(\$2,659,059)	(\$4,197,469)	(\$4,197,469)	(\$4,075,920)	(\$4,075,920)	(\$3,917,103)	(\$3,917,103)	
Retained earnings, beginning of year		\$0		(\$2,659,059)		(\$6,856,528)		(\$10,932,448)	
Retained earnings, end of year			(\$4,197,469)	(\$6,856,528)		(\$10,932,448)		(\$14,849,552)	
Profit Margins:									
Operating	0%	0.3%	-1%	-0.7%	-1%	-0.5%	0%	-0.4%	
Non-Operating	-2%	-2.0%	-2%	-2.1%	-2%	-2.1%	-2%	-2.1%	
Total Margin	-1%	-1.0%	-2%	-1.6%	-2%	-1.5%	-1%	-1.4%	
Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Capital Structure Ratios:									
Capital Expense	1.59	159%	1.90	190%	2.27	227%	2.61	261%	
Times Interest Earned	-672%	-6.72	-547%	-5.47	-226%	-2.26	-116%	-1.16	
Debt Service Coverage	420%	4.20	119%	1.19	165%	1.65	184%	1.84	
FTEs	1,574	1,574	1,573	1,573	1,576	1,576	1,579	1,579	
IP Cases	10,771	10,771	10,771	10,771	10,771	10,771	10,771	10,771	
OP Cases	180,292	180,292	181,193	181,193	182,099	182,099	183,010	183,010	

First 3 years of the new joint venture LLC and use the W/O CON from FA1(A)

*Volume Statistics:

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

Exhibit 8: Waterbury Hospital Metrics

Monthly Financial Measurement/Indicators	Waterbury Hospital
A. Operating Performance	YTD 6/30/2014
Operating Margin	0.08%
Non-Operating Margin	1.59%
Total Margin	1.62%
Bad Debt as % Gross Revenue	0.45%
B. Liquidity	
Current Ratio	1.76
Days Cash on Hand	34.54
Days in Net Accounts Receivables	52.00
Average Payment Period	50.03
C. Leverage and Capital Structure	
Long-term Debt to Equity	1.7923
Long-term Debt to Capitalization	0.6419
Unrestricted Cash to Debt	0.6347
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	5.81
Equity Financing Ratio	5.37
D. Additional Statistics	
Income from Operations	6,308,645
Revenue Over/(Under) Expense	2,624,370
Patient Cash Collected	156,263,146
Cash and Cash Equivalents	17,172,188
Net Working Capital	23,123,042
Unrestricted Assets	14,629,775
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Waterbury Hospital

YTD 6/30/2013

Monthly Financial Measurement/Indicators

A. Operating Performance

Operating Margin	1.78%
Non-Operating Margin	2.68%
Total Margin	2.77%
Bad Debt as % Gross Revenue	1.04%

B. Liquidity

Current Ratio	1.96
Days Cash on Hand	30.49
Days in Net Accounts Receivables	41.70
Average Payment Period	39.47

C. Leverage and Capital Structure

Long-term Debt to Equity	1.5638
Long-term Debt to Capitalization	0.6099
Unrestricted Cash to Debt	0.6214
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	9.35
Equity Financing Ratio	4.14

D. Additional Statistics

Income from Operations	9,684,869
Revenue Over/(Under) Expense	4,591,219
Patient Cash Collected	156,893,685
Cash and Cash Equivalents	18,021,266
Net Working Capital	23,314,320
Unrestricted Assets	18,031,746
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Waterbury Hospital

Monthly Financial Measurement/Indicators

MTD 6/30/2014

A. Operating Performance

Operating Margin	-11.48%
Non-Operating Margin	-10.61%
Total Margin	-10.59%
Bad Debt as % Gross Revenue	-2.12%

B. Liquidity

Current Ratio	1.76
Days Cash on Hand	34.54
Days in Net Accounts Receivables	52.00
Average Payment Period	50.03

C. Leverage and Capital Structure

Long-term Debt to Equity	1.7923
Long-term Debt to Capitalization	0.6419
Unrestricted Cash to Debt	0.6347
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	5.81
Equity Financing Ratio	5.37

D. Additional Statistics

Income from Operations	(1,287,050)
Revenue Over/(Under) Expense	(1,825,125)
Patient Cash Collected	16,713,514
Cash and Cash Equivalents	17,172,188
Net Working Capital	23,123,042
Unrestricted Assets	14,629,775
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Monthly Financial Measurement/Indicators

	MTD 6/30/2013
A. Operating Performance	
Operating Margin	-2.23%
Non-Operating Margin	-1.47%
Total Margin	-1.44%
Bad Debt as % Gross Revenue	0.78%
B. Liquidity	
Current Ratio	1.96
Days Cash on Hand	30.49
Days in Net Accounts Receivables	41.70
Average Payment Period	39.47
C. Leverage and Capital Structure	
Long-term Debt to Equity	1.5638
Long-term Debt to Capitalization	0.6099
Unrestricted Cash to Debt	0.6214
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	9.35
Equity Financing Ratio	4.14
D. Additional Statistics	
Income from Operations	373,917
Revenue Over/(Under) Expense	(245,912)
Patient Cash Collected	15,635,224
Cash and Cash Equivalents	24,379,185
Net Working Capital	23,314,320
Unrestricted Assets	18,031,746
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Waterbury Hospital

Monthly Financial Measurement/Indicators

YTD 5/31/2014

A. Operating Performance

Operating Margin	1.46%
Non-Operating Margin	3.05%
Total Margin	3.08%
Bad Debt as % Gross Revenue	0.77%

B. Liquidity

Current Ratio	2.14
Days Cash on Hand	24.59
Days in Net Accounts Receivables	47.39
Average Payment Period	39.91

C. Leverage and Capital Structure

Long-term Debt to Equity	1.5234
Long-term Debt to Capitalization	0.6037
Unrestricted Cash to Debt	0.5595
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	6.57
Equity Financing Ratio	4.16

D. Additional Statistics

Income from Operations	7,595,695
Revenue Over/(Under) Expense	4,449,495
Patient Cash Collected	139,549,632
Cash and Cash Equivalents	15,179,232
Net Working Capital	27,175,476
Unrestricted Assets	17,257,757
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Waterbury Hospital

Monthly Financial Measurement/Indicators

YTD 5/31/2013

A. Operating Performance

Operating Margin	2.24%
Non-Operating Margin	3.16%
Total Margin	3.25%
Bad Debt as % Gross Revenue	1.08%

B. Liquidity

Current Ratio	2.11
Days Cash on Hand	26.12
Days in Net Accounts Receivables	40.86
Average Payment Period	33.74

C. Leverage and Capital Structure

Long-term Debt to Equity	1.5125
Long-term Debt to Capitalization	0.6020
Unrestricted Cash to Debt	0.5348
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	9.97
Equity Financing Ratio	3.79

D. Additional Statistics

Income from Operations	9,310,957
Revenue Over/(Under) Expense	4,837,136
Patient Cash Collected	141,258,461
Cash and Cash Equivalents	15,551,363
Net Working Capital	23,181,434
Unrestricted Assets	18,686,359
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Waterbury Hospital

Monthly Financial Measurement/Indicators

MTD 5/31/2014

A. Operating Performance

Operating Margin	0.43%
Non-Operating Margin	1.28%
Total Margin	1.34%
Bad Debt as % Gross Revenue	4.63%

B. Liquidity

Current Ratio	2.14
Days Cash on Hand	24.59
Days in Net Accounts Receivables	47.39
Average Payment Period	39.91

C. Leverage and Capital Structure

Long-term Debt to Equity	1.5234
Long-term Debt to Capitalization	0.6037
Unrestricted Cash to Debt	0.5595
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	6.57
Equity Financing Ratio	4.16

D. Additional Statistics

Income from Operations	762,995
Revenue Over/(Under) Expense	242,785
Patient Cash Collected	16,933,631
Cash and Cash Equivalents	27,175,476
Net Working Capital	17,257,757
Unrestricted Assets	Not Applicable
Credit Ratings (S&P, FITCH and Moody's)	

Monthly Financial Measurement/Indicators

MTD 5/31/2013

A. Operating Performance

Operating Margin	2.17%
Non-Operating Margin	4.16%
Total Margin	4.18%
Bad Debt as % Gross Revenue	1.25%

B. Liquidity

Current Ratio	2.11
Days Cash on Hand	26.12
Days in Net Accounts Receivables	40.86
Average Payment Period	33.74

C. Leverage and Capital Structure

Long-term Debt to Equity	1.5125
Long-term Debt to Capitalization	0.6020
Unrestricted Cash to Debt	0.5348
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	9.97
Equity Financing Ratio	3.79

D. Additional Statistics

Income from Operations	1,155,746
Revenue Over/(Under) Expense	797,270
Patient Cash Collected	17,208,334
Cash and Cash Equivalents	15,551,363
Net Working Capital	23,181,434
Unrestricted Assets	18,686,359
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Exhibit 9: GWHN Metrics

Monthly Financial Measurement/Indicators	Total GWHN YTD 6/30/2014
A. Operating Performance	
Operating Margin	-2.85%
Non-Operating Margin	-1.60%
Total Margin	-1.33%
Bad Debt as % Gross Revenue	0.49%
B. Liquidity	
Current Ratio	1.70
Days Cash on Hand	58.16
Days in Net Accounts Receivables	50.14
Average Payment Period	45.16
C. Leverage and Capital Structure	
Long-term Debt to Equity	0.7216
Long-term Debt to Capitalization	0.4191
Unrestricted Cash to Debt	0.9275
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	1.94
Equity Financing Ratio	2.28
D. Additional Statistics	
Income from Operations	1,318,712
Revenue Over/(Under) Expense	(2,653,161)
Patient Cash Collected	187,249,588
Cash and Cash Equivalents	25,161,744
Net Working Capital	24,002,288
Unrestricted Assets	36,336,109
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Monthly Financial Measurement/Indicators	Total GWHN YTD 6/30/2013
A. Operating Performance	
Operating Margin	-0.87%
Non-Operating Margin	-0.12%
Total Margin	-0.22%
Bad Debt as % Gross Revenue	1.02%
B. Liquidity	
Current Ratio	1.91
Days Cash on Hand	51.32
Days in Net Accounts Receivables	41.70
Average Payment Period	36.90
C. Leverage and Capital Structure	
Long-term Debt to Equity	0.7026
Long-term Debt to Capitalization	0.4126
Unrestricted Cash to Debt	0.8300
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.39
Equity Financing Ratio	1.97
D. Additional Statistics	
Income from Operations	5,937,139
Revenue Over/(Under) Expense	(451,254)
Patient Cash Collected	186,714,742
Cash and Cash Equivalents	24,379,185
Net Working Capital	25,666,563
Unrestricted Assets	40,238,279
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Monthly Financial Measurement/Indicators	Total GWHN MTD 6/30/2014
A. Operating Performance	
Operating Margin	-11.69%
Non-Operating Margin	-10.94%
Total Margin	-10.70%
Bad Debt as % Gross Revenue	-1.93%
B. Liquidity	
Current Ratio	1.70
Days Cash on Hand	58.16
Days in Net Accounts Receivables	50.14
Average Payment Period	45.16
C. Leverage and Capital Structure	
Long-term Debt to Equity	0.7216
Long-term Debt to Capitalization	0.4191
Unrestricted Cash to Debt	0.9275
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	1.94
Equity Financing Ratio	2.28
D. Additional Statistics	
Income from Operations	(1,751,406)
Revenue Over/(Under) Expense	(2,311,491)
Patient Cash Collected	20,406,881
Cash and Cash Equivalents	25,161,744
Net Working Capital	24,002,288
Unrestricted Assets	36,336,109
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Monthly Financial Measurement/Indicators	Total GWHN MTD 6/30/2013
A. Operating Performance	
Operating Margin	-4.76%
Non-Operating Margin	-4.07%
Total Margin	-5.75%
Bad Debt as % Gross Revenue	0.76%
B. Liquidity	
Current Ratio	1.91
Days Cash on Hand	51.32
Days in Net Accounts Receivables	41.70
Average Payment Period	36.90
C. Leverage and Capital Structure	
Long-term Debt to Equity	0.7026
Long-term Debt to Capitalization	0.4126
Unrestricted Cash to Debt	0.8300
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.39
Equity Financing Ratio	1.97
D. Additional Statistics	
Income from Operations	(136,483)
Revenue Over/(Under) Expense	(1,210,317)
Patient Cash Collected	18,928,278
Cash and Cash Equivalents	24,379,185
Net Working Capital	25,666,563
Unrestricted Assets	40,238,279
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Monthly Financial Measurement/Indicators	Total GWHN YTD 5/31/2014
A. Operating Performance	
Operating Margin	-1.77%
Non-Operating Margin	-0.46%
Total Margin	-0.19%
Bad Debt as % Gross Revenue	0.79%
B. Liquidity	
Current Ratio	1.99
Days Cash on Hand	50.22
Days in Net Accounts Receivables	46.65
Average Payment Period	37.38
C. Leverage and Capital Structure	
Long-term Debt to Equity	0.6754
Long-term Debt to Capitalization	0.4031
Unrestricted Cash to Debt	0.8446
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	2.59
Equity Financing Ratio	1.96
D. Additional Statistics	
Income from Operations	3,070,117
Revenue Over/(Under) Expense	(341,672)
Patient Cash Collected	166,842,708
Cash and Cash Equivalents	22,985,041
Net Working Capital	27,927,063
Unrestricted Assets	38,925,347
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

	GWHN YTD 5/31/2013
A. Operating Performance	
Operating Margin	-0.42%
Non-Operating Margin	0.34%
Total Margin	0.42%
Bad Debt as % Gross Revenue	1.05%
B. Liquidity	
Current Ratio	2.09
Days Cash on Hand	48.32
Days in Net Accounts Receivables	41.30
Average Payment Period	32.84
C. Leverage and Capital Structure	
Long-term Debt to Equity	0.6691
Long-term Debt to Capitalization	0.4009
Unrestricted Cash to Debt	0.7460
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.76
Equity Financing Ratio	1.79
D. Additional Statistics	
Income from Operations	6,073,622
Revenue Over/(Under) Expense	759,067
Patient Cash Collected	167,786,425
Cash and Cash Equivalents	21,983,017
Net Working Capital	27,388,179
Unrestricted Assets	42,357,278
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Monthly Financial Measurement/Indicators	Total GWHN MTD 5/31/2014
A. Operating Performance	
Operating Margin	-2.55%
Non-Operating Margin	-1.83%
Total Margin	-0.92%
Bad Debt as % Gross Revenue	4.33%
B. Liquidity	
Current Ratio	1.99
Days Cash on Hand	50.22
Days in Net Accounts Receivables	46.65
Average Payment Period	37.38
C. Leverage and Capital Structure	
Long-term Debt to Equity	0.6754
Long-term Debt to Capitalization	0.4031
Unrestricted Cash to Debt	0.8446
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	2.59
Equity Financing Ratio	1.96
D. Additional Statistics	
Income from Operations	193,077
Revenue Over/(Under) Expense	(208,023)
Patient Cash Collected	18,814,527
Cash and Cash Equivalents	22,985,041
Net Working Capital	27,927,063
Unrestricted Assets	38,925,347
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Monthly Financial Measurement/Indicators	Total GWHN MTD 5/31/2013
A. Operating Performance	
Operating Margin	3.33%
Non-Operating Margin	4.92%
Total Margin	1.16%
Bad Debt as % Gross Revenue	1.22%
B. Liquidity	
Current Ratio	2.09
Days Cash on Hand	48.32
Days in Net Accounts Receivables	41.30
Average Payment Period	32.84
C. Leverage and Capital Structure	
Long-term Debt to Equity	0.6691
Long-term Debt to Capitalization	0.4009
Unrestricted Cash to Debt	0.7460
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.76
Equity Financing Ratio	1.79
D. Additional Statistics	
Income from Operations	1,655,427
Revenue Over/(Under) Expense	281,311
Patient Cash Collected	20,388,811
Cash and Cash Equivalents	21,983,017
Net Working Capital	27,388,179
Unrestricted Assets	42,357,278
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable