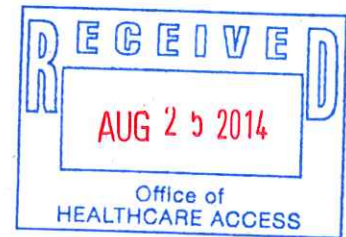




August 25, 2014

Ms. Kimberly Martone
Director of Operations
Office of Healthcare Access
410 Capitol Avenue
MS #13HCA
P.O. Box 340308
Hartford, CT 06106



Re: Northeast Medical Group, Inc. and PriMed Gastroenterology, LLC
Change of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center

Dear Ms. Martone:

Enclosed please find the original, four (4) hard copies, and an electronic copy on CD of the Certificate of Need (CON) application for Northeast Medical Group, Inc. ("NEMG") and PriMed Gastroenterology, LLC, d/b/a Fairfield County Endoscopy Center, to change the ownership of the outpatient endoscopy center located at 888 White Plains Road, Suite 210, Trumbull, CT.

NEMG acquired a 40% interest in the endoscopy center on June 1, 2014 as part of the larger PriMed acquisition by NEMG which closed on the same day. No CON was required for this sale and change of ownership as per OHCA's CON Determination decision. Now that the larger acquisition is complete, the applicants are seeking approval for NEMG to acquire the remaining membership interests in the endoscopy center held by PriMed. Once NEMG owns 100% of the facility, it will then fully benefit from NEMG's administrative, clinical and financial infrastructure.

Please do not hesitate to contact me with any questions or concerns. I can be reached at (203) 863-3908. Thank you for your time and support of this project.

Sincerely,

A handwritten signature in black ink that reads 'Nancy Rosenthal'.

Nancy Rosenthal
Senior Vice President – Health Systems Development

Enclosures

789 Howard Avenue
New Haven, CT 06519

**NORTHEAST MEDICAL GROUP, INC.
AND PRIMED GASTROENTEROLOGY, LLC**

**Change of Ownership of PriMed Gastroenterology, LLC
d/b/a/ Fairfield County Endoscopy Center**

Certificate of Need Application

August 25, 2014

**NORTHEAST MEDICAL GROUP, INC.
AND PRIMED GASTROENTEROLOGY, LLC**

**Change of Ownership of PriMed Gastroenterology, LLC
d/b/a/ Fairfield County Endoscopy Center**

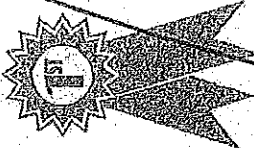
Certificate of Need Application

TABLE OF CONTENTS

	ITEM	PAGE(S)
	CON Public Notice	5 - 8
	Affidavits	9 - 11
	CON Filing Fee	12 - 13
	CON Application	14 - 29
APPENDICES		
Tab 1	Fairfield County Endoscopy Center DPH License	30 - 31
Tab 2	CON Determination Decision	32 - 43
Tab 3	Corporate Organizational Charts	44 - 47
Tab 4	Asset Purchase Agreement	48 - 54
Tab 5	CVs	55 - 89
Tab 6	IRS Letter	90 - 93
Tab 7	Audited Financial Statements	94 - 128
Tab 8	Financial Statements	129 - 137
Tab 9	Financial Assumptions	138 - 139

CON PUBLIC NOTICE

APARTMENTS FOR RENT



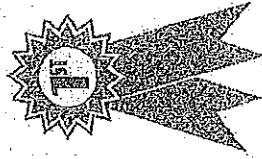
BRIDGEPORT PLEASANTVIEW APTS
 Amazing Artwork, Throughout!!!
 Newer Building, Total Green Technology-LED Lighting, Convenient to UB & SHU, 4 min. 195-45 min. Bk. L. PR. 2BR/2B Apts. Energy Star, Low utilities, 100% eff. Resins. Quick response maint. on Premises. Safe, secure luxury key ent, video, Elevator, Alarm, Sprinkler sys. 24/7 Gated, Covered prtg. \$1 wash/dry. \$1150- Call Resident Agent Norman 203-916-2786 or 203-372-0828 Visit: www.PleasantViewBridgeport.com



APARTMENTS FOR RENT



DANBURY
 Large inventory of 1, 2 & 3BRs.
 Dave Lamp Realty
 203-240-0219



FAIRFIELD Univ area, beautiful in-law apt, prv ent, lg 16'x10' deck overlooking prv yard. Weber gas grill incl. Secured, driveway prtg. Oversized FR & Kt. 1BR w/lrg. utils. rm. + full size bath. Rental incl. all modern appls. & auto. backup gen-erator. Tyr. lease req. \$1950/m. No smk/pets. Call 203-618-1270.

FAIRFIELD Safe, 4Rm, 2br. All apbl, no pets. \$1300, 203-296-9050

FAIRFIELD 2BR, 3rd fl.-bonus rm. EIK & Indry. \$1350, 203-395-2848

FAIRFIELD 2BR, 2nd fl. HW Fls. \$1425+utils. Pets extra. 203-366-5279

FAIRFIELD Walk to Metro! Conv! Clean 2br-bonus rm. Hwd. d/w. w/d, storage, beach permit \$1450-\$1600, 203-518-4337-203-767-1968

FAIRFIELD Commuter's Delight! Pvt updated studio apt, near town. Hwd fls. & size apple-vaunted call. \$1300 +low utils/see/cr.ck. 203.656.1320

MILFORD \$1250+uti. Wtr incl. Slun-ning 2BR, all appl. EIK. 203.215.5780

MILFORD 2BR Waterview. Appls, OSP. 3rd fl. No smk/pets. \$995 incl. HW. Lease+sec. 203-377-2476

MILFORD Near Center 2BR, OSP. no pet/sm. \$1300+sec. 203.214.4796

APARTMENTS FOR RENT

MILFORD
SARANOR APARTMENTS
 Senior/Cisabled Housing
 1 Bedroom Only
 \$480 plus utilities
 Call for application
 203-877-7195
 Platt Street, Milford
 Equal Opportunity Housing
 CHFA financed

MONROE WHITNEY FARMS Love-ly, prv ent, apt, 1BR, den, kitch, 5th fl. incl all util, AC, room cb, w/h, \$995/m. No smk/pet. 203-449-8867

NAUGATUCK 2 br, 1st fl. apt. Just renov'd! On dead-end st. Bk, porch. No pet/sm. \$1050. 97.4.414.3731

SEYMOUR 2br duplex, nr. Chaffield Elementary & parks. EIK/all appls, LR, Den, W/D/H-up & Osp. No pets. \$1250. Alberti R.E. • 203-880.0430

SHELTON 2BR, all appl, cntnl air, utils incl, OSP. \$1600/month. JoAnne 203-924-4888

SHELTON FURNISHED Terms, all appl, incl. util, \$1200. Short term lease ok. JoAnne 203-924-4888

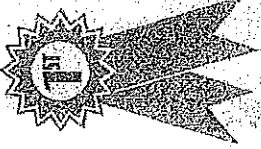
SHELTON 1BR, apt, w/frigo, ramp, W, C/cac, microwave, deck & Osp. No pet/sm. Lease+Sec. \$795/m. tenant pays utils. 203-362-7840

SHELTON 2BR, 1st fl. 34 Hull St. LR, KIT, new carpet, freshly paint-ed. Good cond. \$900. 203.667.9004



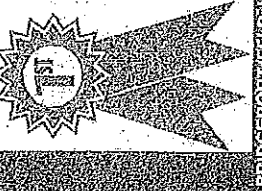
STRAFORD STUDIO
 Nicest area, walk to RR, shops, W/W, off st. parking. \$925. 203-218-9750

Stratford Area



APARTMENT & HOUSE RENTALS:
 1, 2 & 3 BR. Apts & houses, in-clud. Bth, Pld, Shel & Trum. Call 203-331-4762 MARYVYNE

APARTMENTS FOR RENT



BRIDGEPORT/BLACK ROCK GORG. 2BR/Hof. 2 full bth twms unit. Tons of closet spc. Fully appl. W/D Cntrl ac. Walk to Caomains Ctr & Fld Av. Grt for roommates \$1400+uti. 203.684.6906

BRIDGEPORT Nob Hill 3br Freshly painted, 1m. sec. \$1450. Incl. HT/water/yrd maint. 203.257.9897

MILFORD Large 1bdm. Condo. Exc. loc. off hist. Green Near har- bor, recreation, shops, restaurants & RR. No pets/sm. \$1200+1m. Sec. Avt. row. 203-878-0929

SHELTON-RIVER RUN Fabulous tandem gar, gas heat, CA & all appliances. Minutes to rt 8 & 15 \$1600. Pepe Realty • 203-929-8775

SHELTON - Steven's Terrace 2BR, 1bh, 2nd fl. updated kit. w/d, storage, immed occ. \$1200 Pepe Realty • 203-929-8775

STRAFORD DEERFIELD WOODS
 Immac 1br. Lndry. rm. \$1095+utils. 1st/last 1m sec. Pool, no pets. Avail July. 203-414-4997.

DANBURY AFFORDABLE OFFICE SPACE Various 500, 1200, 5000, Bright, spacious, high ceilings. On-site plg, all util. Call for pricing 203-797-3255 www.nolanrealstate.org

FAIRFIELD OFFICE SPACE
BRIDGEPORT OFFICE SPACE
 1600sf, 4 offices, conference rm., reception area, kitchenette & private restm. \$17.50/sq. ft. Pls. call: 203-392-0498 NRE

GREENWICH AVENUE Furnished suites, w/reception, conference room and lounge area. 203-651-6343

SOULSPORT Office Space Available in Downtown, \$650.00/monthly. Near Southbury Train Station. 203-331-4762

CONDOS FOR RENT

BRIDGEPORT/BLACK ROCK GORG. 2BR/Hof. 2 full bth twms unit. Tons of closet spc. Fully appl. W/D Cntrl ac. Walk to Caomains Ctr & Fld Av. Grt for roommates \$1400+uti. 203.684.6906

BRIDGEPORT Nob Hill 3br Freshly painted, 1m. sec. \$1450. Incl. HT/water/yrd maint. 203.257.9897

MILFORD Large 1bdm. Condo. Exc. loc. off hist. Green Near har- bor, recreation, shops, restaurants & RR. No pets/sm. \$1200+1m. Sec. Avt. row. 203-878-0929

SHELTON-RIVER RUN Fabulous tandem gar, gas heat, CA & all appliances. Minutes to rt 8 & 15 \$1600. Pepe Realty • 203-929-8775

SHELTON - Steven's Terrace 2BR, 1bh, 2nd fl. updated kit. w/d, storage, immed occ. \$1200 Pepe Realty • 203-929-8775

STRAFORD DEERFIELD WOODS
 Immac 1br. Lndry. rm. \$1095+utils. 1st/last 1m sec. Pool, no pets. Avail July. 203-414-4997.

DANBURY AFFORDABLE OFFICE SPACE Various 500, 1200, 5000, Bright, spacious, high ceilings. On-site plg, all util. Call for pricing 203-797-3255 www.nolanrealstate.org

FAIRFIELD OFFICE SPACE
BRIDGEPORT OFFICE SPACE
 1600sf, 4 offices, conference rm., reception area, kitchenette & private restm. \$17.50/sq. ft. Pls. call: 203-392-0498 NRE

GREENWICH AVENUE Furnished suites, w/reception, conference room and lounge area. 203-651-6343

SOULSPORT Office Space Available in Downtown, \$650.00/monthly. Near Southbury Train Station. 203-331-4762

VEHICLES FOR SALE

FORD MUSTANG GT Premium
 2002, 4.6V8, auto, full power, & options, show condition 24,900 or \$11,500. Call 561-707-4426

FORD RANGER REG CAB, 2014
 4 CY Auto AC, AM/FM, bedliner. SK# 3877 \$9950 850-274-3310

GRAC SAVANNAH VAN 2001,
 2500 Series, 140K miles. \$3,500. Call 203-215-5279

HONDA ACCORD EX, 2003
 185k miles, interior in excellent condition, well maintained. Asking \$4,500. Call 203-470-1455

INTERNATIONAL 4000, 1999
 has hook and straps, weight: 33,000LBS; \$35,000. 203-522-7155

LEXUS IS250 '11. 48k mi, Sedan, AWD, Red, Nav, fully loaded, exc. cond, \$25,000. 203-462-3714.

LINCOLN TOWN CAR 1998. White, signature series, loaded, one owner, 140k mi, excellent condition, 2,700. 203-333-3872-203-367-2595;

LINCOLN E&G Presidential, '05 Custom gold trim model, 58k mi, Leather top, Pearlized Cream, white wall tire, full spare, CD/Cassette, \$12,000. Call 347-400-6368.

MADZA PROTEGE 1996, 4 doors,
 148k miles, automatic, runs & looks great. \$1,650 obo. 203-500-0083

MADZA MIATA CONVERTIBLE,
 2006. Like new, 6,400 miles. \$12,500. Call 203-738-9230.

MERCEDES BENZ 380SL, 1993
 Convertible - Good condition. \$7,500 or best offer, 203-223-2228

MERCEDES BENZ E350 2010
 Loaded! Black/Black, 1 owner, 52k mi. \$29,995-very vrry 980-867-2277

MERCEDES BENZ 300 Cwvra
 1998 Like new - all original, \$7,500 Call 203-216-2662

APARTMENTS FOR RENT

BRIDGEPORT
 near Merritt Pkwy
 1 BR & studios.
 Nice neighborhood.
 Gated parking
 & heat incl, inclds rent.
 203-212-1910
 Mon-Fri, 1-5 pm.
 www.lynnapartmentsct.com

BRIDGEPORT 1BRs available. Located near Hospitals. \$750-\$850/monthly. Call 203-520-8879. No pets. 203-520-8879

BRIDGEPORT/FAIRFIELD LUXURY HIGH RISE
 Studios & 1BRs • \$975 & \$1200 3500 Park Ave. Balc. HT/HW CA, Appl, DW, Dripan, Secure Prg. Stop-in! (days) 12-7; 203-334-1307

BRIDGEPORT/BLACK ROCK STUDIOS, 1 & 2BR apts, \$765-\$1245. 203-520-6372. See photos HubRealty.com or local.ctpost.com/160719/

DANBURY APTS. Bright Studios \$550-\$650, 1BR, \$700-\$850, OSP, LAUNDRY. Sec Req. NO PETS. Applications avail. 203-737-8255 nolanrealstate.org

PUBLIC NOTICES

Certificate of Need - Public Notice
 In accordance with Connecticut General Statute Section 19-638, Northeast Medical Group, Inc. (NEMG) and PriMed, LLC (PriMed), plan to submit a Certificate of Need Application to the Connecticut Department of Public Health's Office of Health Care Access for a change of ownership of PriMed Gastroenterology, LLC (c/b/a Fairfield County Endoscopy Center). Current ownership of the Fairfield County Endoscopy Center is 60% PriMed and 40% NEMG. The applicants are requesting permission for NEMG to acquire PriMed's interest in order to own 100% of the Fairfield County Endoscopy Center. The Fairfield County Endoscopy Center is located at 348 White Plains Road in Trumbull, Connecticut. The estimated total capital expenditure for the project will be \$5,500,000.00.

LEGAL NOTICE
 A certified list of Democratic party-endorsed candidates for the Town of Trumbull for election as Registrar of Voters will be on file in my office at 5366 Main Street, Trumbull, Connecticut, and available for inspection and copying.

LEGAL NOTICE
 A certified list of Republican party-endorsed candidates for the Town of Trumbull for election as Registrar of Voters will be on file in my office at 5366 Main Street, Trumbull, Connecticut, and available for inspection and copying.

PUBLIC NOTICES

LEGAL NOTICE OF RECEIPT OF CERTIFICATION OF PARTY-ENDORSED CANDIDATES FOR MUNICIPAL OFFICES

A certified list of Republican party-endorsed candidates for the Town of Stratford for election as Judges of Probate are on file in my office at 2725 Main Street, Room 106, Stratford, Connecticut, and copies thereof are available for public distribution not later than the fourteenth day following the date of the town committee meeting, caucus or convention which made the endorsement.

A Primary will be held August 12, 2014 if the required primary petition (s) for opposition candidate (s) is filed, pursuant to Sections 9-392 to 9-450 of the Connecticut General Statutes, not later than 4:00 p.m. on June 10, 2014. Petition forms, instructions and information concerning the procedure for filing of opposing candidates, including schedules, may be obtained from:

Louis Decelis, Republican Registrar of Voters
2725 Main Street, Stratford, CT 06615
Susan M. Pawluc
Municipal Clerk of Stratford

LEGAL NOTICE OF RECEIPT OF CERTIFICATION OF PARTY-ENDORSED CANDIDATES FOR MUNICIPAL OFFICES

A certified list of Democratic party-endorsed candidates for the Town of Stratford for election as Judge of Probate are on file in my office at 2725 Main Street, Room 106, Stratford, Connecticut, and copies thereof are available for public distribution not later than the fourteenth day following the date of the town committee meeting, caucus or convention which made the endorsement.

RETURN DATE: JUNE 17, 2014
GREEN TREE SERVICES, LLC
SUPERIOR COURT
J.D. OF
FAIRFIELD
AT FAIRFIELD

THE WIDOW, HEIRS, AND/OR CREDITORS OF THE ESTATE OF TERRELL JONES ET AL

NOTICE TO THE WIDOW, HEIRS AND/OR CREDITORS OF THE ESTATE OF TERRELL JONES AND ALL UNKNOWN PERSONS CLAIMING OR WHO MAY CLAIM ANY RIGHTS, TITLE, INTEREST OR ESTATE IN OR LIEU OR ENCUMBRANCE UPON THE PROPERTY DESCRIBED IN THIS COMPLAINT ADVERSE TO THE PLAINTIFF DESCRIBED IN THIS COMPLAINT ADVERSE TO THE PLAINTIFF WHETHER SUCH CLAIM OR POSSIBLE CLAIM BE VESTED OR CONTINGENT.

The Plaintiff has named as a defendant, THE WIDOW, HEIRS AND/OR CREDITORS OF THE ESTATE OF TERRELL JONES and all unknown persons, claiming or who may claim, any rights, title, interest or estate in or encumbrance upon the property described in this complaint, adverse to the Plaintiff, whether such claim or possible claim can be vested or contingent, if not living, as a party defendant(s) in the complaint which is bringing to the above-named Court seeking a foreclosure of its mortgage upon premises known as 1284 PARK AVENUE, BRIDGEPORT, CT 06604.

The plaintiff has represented to said court, by means of an affidavit annexed to the complaint, that despite all reasonable efforts to ascertain such information, it has been unable to determine the identity and/or whereabouts of THE WIDOW, HEIRS AND/OR CREDITORS OF THE ESTATE OF TERRELL JONES and all unknown person claiming or who may claim any rights, title, interest or estate in or lien or encumbrance upon the property described in this complaint, adverse to the Plaintiff, whether such claim or possible claim can be vested or contingent, if not living.

Therefore, it is hereby ORDERED that notice of the institution of this action be given to said THE WIDOW, HEIRS, AND/OR CREDITORS

PUBLIC NOTICES

SHELTON PLANNING AND ZONING COMMISSION

NOTICE OF PUBLIC HEARING

TUESDAY, JUNE 10, 2014 AT 7:00 P.M.
The Shelton Planning and Zoning Commission of the City of Shelton, Connecticut, hereby gives notice of a public hearing to be held on Tuesday, June 10, 2014 at 7:00 p.m. in the Shelton City Hall, 54 Hill Street to consider the following:

1. Application #14-10: R. D. Solito, Inc. for Special Exception/Site Plan Approval for a proposed 58,560 square foot office building on a 4.95 acre parcel located at 20 Commerce Drive and identified as Assessor's Map 38, Lot 1. The application is processed under Section 33.2 and permitted Use Line 25A of the Zoning Regulations.

The Site Plan is titled "Proposed Office Development, 20 Commerce Drive" which was prepared by James P. Swift, Professional Engineer and Landscape Architect and Architect, LLC. Architects dated 2/28/14 and Louis Associates, Land surveyors dated 1/9/14 and revised to 1/20/14.

The property is zoned LIP and is currently served by municipal sanitary sewers and public water.

2. Proposal of the Shelton Planning and Zoning Commission to amend Section 28: Permitted Uses, Subsection 23.2: Prohibited Uses by adding a new Paragraph 23.2.5 to the list of prohibited uses which reads as follows:

23.2.5 Medical Marijuana Dispensaries as defined by Section 9 of Public Act #12-55 and Medical Marijuana Producers as defined by Section 10 of Public Act #12-55.

Said Application and Proposal are on file in the City/Town Clerk's Office and in the Planning and Zoning Office. At said hearing all persons will have the right to be heard and written communications will be received. Written comments will be accepted. All other bids, including this application, will be withdrawn until sixty (60) days after the date of the opening of the bid.

The Owner announces that it is a privately funded project. Each Bid must be accompanied by a Bid Guarantee in the form of a certified check or Bid Bond in the amount of 5% of the total amount of the Bid. A performance bond and a labor and material payment bond will be required in the amount of 100% of the total amount of Bid. No Bid can be withdrawn until sixty (60) days after the date of the opening of the Bids.

By submitting a Bid, each bidder agrees that it shall not bring any action seeking to enjoin an award of a contract for construction of the project or make any other claim whatsoever against Optinus Health Care Inc., the Architects, the Owner's representative, or any other party engaged by Optinus Health Care Inc. or any of the foregoing named entities.

The Owner reserves the right to reject any and all bids and to waive any error, omissions or other irregularities in the bids received in the exercise of its sole discretion, acting in its sole interest.

Any questions concerning this invitation to bid should be directed in writing, faxed or e-mailed to: Mark Troost, P.A. - Stein | Troost architecture P: 203.658.0562 E: steintroost@steint.net

No questions will be received later than 4:00pm, Wednesday, June 18th, 2014.

CITY OF BRIDGEPORT ZONING BOARD OF APPEALS / PUBLIC HEARING

Tuesday, June 10, 2014 at 6:00pm
To be held in the City Hall Common Council Chambers, 45 Lyon Terrace, Bridgeport, CT relative to the following: C-1(42) # Pierce Pl. - Petition of Kurt Gavian - Seeking a variance of the required 2,700 sq. ft. of area.

PUBLIC NOTICES

PUBLIC NOTICE OF PENDING APPROVAL FOR A CERTIFICATE OF WETLANDS CONFORMANCE

Fairfield, Connecticut
PURSUANT TO SECTION 6.4 OF THE INLAND WETLANDS AND WATERCOURSES REGULATIONS OF THE TOWN OF FAIRFIELD, CONNECTICUT, PUBLIC NOTICE IS HEREBY GIVEN THAT THE INLAND WETLAND AND WATERCOURSES AGENCY DESIGNATED AGENT INTENDS TO APPROVE THE FOLLOWING APPLICATION FOR A CERTIFICATE OF WETLANDS CONFORMANCE:

Certificate No: 2013-14-83
Owner's Name: Sacred Heart Univ. - Bpt. Roman Catholic Diocesan Corp.
Assessor's Map: 13 Parcel No: 1 and 1A
Location of proposed activity (address): 5151 Park Avenue
Type of activity: Construct new dormitory within a regulated area.

ANY PERSON OBJECTING TO THE APPROVAL OF THIS CERTIFICATE MAY SUBMIT A WRITTEN AND DATED PETITION TO THE INLAND WETLAND AGENCY WITHIN FIFTEEN (15) CALENDAR DAYS OF THIS NOTICE FOR THE PURPOSE OF REQUIRING REVIEW OF THE CERTIFICATE BY THE INLAND WETLAND AGENCY.

FAIRFIELD CONSERVATION COMMISSION ACTING AS THE INLAND WETLAND AND WATERCOURSES AGENCY.
FAIRFIELD CONSERVATION COMMISSION
KEVIN GUMPPER, CHAIRMAN
CATHERINE S. O'DONNELL, SECRETARY
BETTY GABRIEL, CLERK



Certificate of Need - Public Notice
In accordance with Connecticut General Statutes Section 19-636, Northeast Medical Group, Inc. (NEMG), and Primed, LLC (Primed), plan to submit a Certificate of Need Application to the Connecticut Department of Public Health's Office of Health Care Access for a change or ownership of Primed Gastroenterology, LLC (G/a/a Fairfield County Endoscopy Center). Current ownership of the Fairfield County Endoscopy Center is 60% Primed and 40% NEMG. The applicants are requesting permission for NEMG to acquire Primed's interest in order to own 100% of the Fairfield County Endoscopy Center. The Fairfield County Endoscopy Center is located at 88 White Plains Road in Trumbull, Connecticut. The estimated total capital expenditure for the project will be \$5,500,000.00.

STATE OF CONNECTICUT
COUNTY OF FAIRFIELD
CITY OF BRIDGEPORT
U-HAUL OF LOWER HUDSON VALLEY, 300 WINDSOR HIGHWAY, NEW WINDSOR, NY 12550, HEREBY GIVES NOTICE TO ALL INTERESTED PARTIES THAT THE CONTENTS OF STORAGE UNITS LOCATED 636 BOSTON AVE. BRIDGEPORT, CT 06610 WILL BE SOLD TO THE HIGHEST BIDDER DUE TO THE NONPAYMENT OF RENT AS STATED IN THE RENTAL AGREEMENT. THE CONTENTS OF THESE UNITS CONSISTS OF FURNITURE, HOUSEHOLD GOODS, AND OTHER MISCELLANEOUS PROPERTY.
THE SALE OF THIS PROPERTY WILL BE HELD AT U-HAUL OF BOSTON AVE. 636 BOSTON AVE. BRIDGEPORT, CT 06610, ON JUNE 18th 2014 at 11:30 AM.
0083, Katarina Kufand
0089, Max Michael
0238, Tyla Fonseca
0301, Michael Hutchinson
0316, Nellie Barr
0464, Karla Muse
0472, Jodley Edwards

AFFIDAVITS

AFFIDAVIT

Applicant: Northeast Medical Group, Inc.

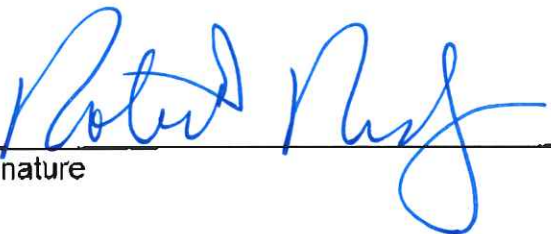
Project Title: Change of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center

I, Robert Nordgren, M.D., Chief Executive Officer
(Individual's Name) (Position Title – CEO or CFO)

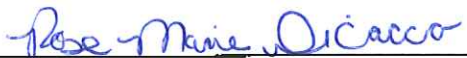
of Northeast Medical Group, Inc. being duly sworn, depose and state that
(Hospital or Facility Name)

Northeast Medical Group, Inc.'s information submitted in this Certificate of
(Hospital or Facility Name)

Need Application is accurate and correct to the best of my knowledge.

 8/14/14
Signature Date

Subscribed and sworn to before me on August 14, 2014



Notary Public/Commissioner of Superior Court

My commission expires: 3-31-18

AFFIDAVIT

Applicant: PriMed Gastroenterology, LLC

Project Title: Change of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center

I, Arnold Dorosario, M.D. Manager
(Individual's Name) (Position Title – CEO or CFO)

of PriMed Gastroenterology, LLC being duly sworn, depose and state that
(Hospital or Facility Name)

PriMed Gastroenterology, LLC's information submitted in this Certificate of
(Hospital or Facility Name)

Need Application is accurate and correct to the best of my knowledge.

Signature 

Date 8/18/14

Subscribed and sworn to before me on August 18, 2014

Lorraine Niemiec

Notary Public/Commissioner of Superior Court

My commission expires: _____

LORRAINE THERESA NIEMIEC
NOTARY PUBLIC OF CONNECTICUT
My Commission Expires 2/28/2016

CON FILING FEE



Cashier's Check

No. 1340002167

Notice to Purchaser - In the event that this check is lost, misplaced or stolen, a sworn statement and 90-day waiting period will be required prior to replacement. This check should be negotiated within 90 days.

Void After 90 Days

30-1/1140

Date 08/22/14 01:02:06 PM

NTX

YALE NEW HAVEN HOSPITAL

0004 0021178 0085

Pay



BANK OF AMERICA FIVE ZERO ZERO CTSCTS

***\$500.00

To The Order Of TREASURER STATE OF CONNECTICUT

Payer (Purchased By): MATTHEW MCKENNAN

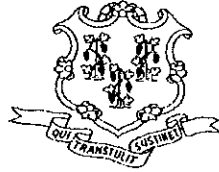
Bank of America, N.A.
SAN ANTONIO, TX

Handwritten Signature
AUTHORIZED SIGNATURE

⑈ 1340002167⑈ ⑆ 114000019⑆ 001641005594⑈

THE ORIGINAL DOCUMENT HAS A REFLECTIVE WATERMARK ON THE BACK. HOLD AT AN ANGLE TO VIEW WHEN CHECKING THE ENDORSEMENTS.

CON APPLICATION



**State of Connecticut
Office of Health Care Access
Certificate of Need Application**

Instructions: Please complete all sections of the Certificate of Need ("CON") application. If any section or question is not relevant to your project, a response of "Not Applicable" may be deemed an acceptable answer. If there is more than one applicant, identify the name and all contact information for each applicant. OHCA will assign a Docket Number to the CON application once the application is received by OHCA.

Docket Number:

Applicant: Northeast Medical Group, Inc.

Applicant's Facility ID*: 1043278351 (NPI)

Contact Person: Nancy Rosenthal

Contact Person's Title: Senior Vice President, Health Systems Development

Contact Person's Address: 5 Perryridge Road, Greenwich, CT 06830

Contact Person's Phone Number: (203) 688-3908

Contact Person's Fax Number: (203) 863-4736

Contact Person's Email Address: Nancy.Rosenthal@greenwichhospital.org

Applicant: PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center

Applicant's Facility ID*: 004237857 (Medicare)

Contact Person: Arnold DoRosario, M.D.

Contact Person's Title: Manager

Contact Person's

Address: 888 White Plains Road, Suite 210
Trumbull, CT 06611

**Contact Person's
Phone Number:** (203) 374-6162

**Contact Person's
Fax Number:** (203) 374-1549

**Contact Person's
Email Address:** Arnold_Dorosario@primedmd.com

Project Town: Trumbull, CT

Project Name: Change of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center (FCEC)

Statute Reference: Section 19a-638, C.G.S.

Estimated Total

Capital Expenditure: \$5,500,000

*Please provide either the Medicare, Connecticut Department of Social Services (DSS), or National Provider Identifier (NPI) facility identifier.

1. Project Description and Need: Change of Ownership or Control

- a. Please provide a narrative detailing the proposal.

Northeast Medical Group, Inc. ("NEMG"), a medical foundation which is part of Yale New Haven Health System, and PriMed Gastroenterology, LLC, d/b/a Fairfield County Endoscopy Center ("FCEC") are requesting approval from the Office of Health Care Access ("OHCA") to change the ownership of the outpatient endoscopy center (licensed as an outpatient surgical facility) located at 888 White Plains Road, Suite 210, Trumbull, CT. The outpatient endoscopy center (FCEC) has been in operation since 2003, following approval by OHCA on January 24, 2002 (DN: 01-551), providing gastrointestinal services such as colonoscopies, polypectomies, upper endoscopies, and esophageal dilation. FCEC operates two procedure rooms and performs close to 6,000 procedures annually. Please see Attachment I for a copy of the applicable DPH license.

Prior to June 1, 2014, the sole member of FCEC was PriMed, LLC (PriMed). PriMed is an integrated medical practice that is owned exclusively by licensed physicians that practice in the greater Bridgeport area. PriMed established PriMed Gastroenterology, LLC for the purpose of establishing the outpatient endoscopy center in Trumbull, CT. However, the assets of PriMed were acquired by NEMG on June 1, 2014, and the physicians of PriMed now perform services exclusively on behalf of NEMG pursuant to a professional services agreement (PSA). PriMed's remaining employees, including nurse practitioners, and physician assistants, became employees of NEMG.

As described in the Certificate of Need Determination Report Number 14-31907-DTR, PriMed initially sold a 40% interest in FCEC to NEMG on June 1, 2014. No CON was required for this sale and change of ownership as per OHCA's CON Determination decision (see Attachment II for a copy). The sale of a 40% interest in FCEC to NEMG was part of the larger PriMed acquisition, which closed on June 1, 2014. Now that the larger acquisition is complete and as detailed in the determination request, the applicants are seeking approval for NEMG to acquire the remaining membership interests in FCEC held by PriMed, in order to permit NEMG to have 100% ownership of FCEC and for the facility to benefit fully from NEMG's administrative, clinical and financial infrastructure.

- b. Explain how each Applicant determined need for the proposal and discuss the benefits of this proposal for each Applicant (discuss each Applicant separately).

The former PriMed physicians are now engaged by NEMG through a PSA and have been integrated into NEMG's infrastructure and systems. There is no desire for continued ownership of FCEC by former PriMed physicians and they would like to sell their 60% interest in FCEC to NEMG. As a matter of policy, in most circumstances Yale New Haven Health System prohibits physicians who are part of NEMG from having ownership interests in facilities such as FCEC.

NEMG can operate FCEC more efficiently and effectively as a result of its size and infrastructure. Specifically, NEMG can provide complete administrative support for payer contracting, purchasing, integration of the EpicCare electronic medical record and practice management system, cost efficiencies through economies of scale, marketing, recruitment programs, academic opportunities and quality improvement activities. These offerings will ensure the continued operation and access to FCEC while positioning the facility for success under health care reform. Unless NEMG owns 100% of FCEC, the center cannot benefit from these efficiencies.

- c. Provide a history and timeline of the proposal (i.e., When did discussions begin between the Applicants? What have the Applicants accomplished so far?).

Discussion between the applicants regarding NEMG's acquisition of PriMed began in early 2013. An Asset Purchase Agreement (APA) was executed on February 14, 2014 by Yale-New Haven Health Services Corporation (YNHHSC, the parent entity of NEMG and all other Yale New Haven Health System affiliates), NEMG, and PriMed for the sale of PriMed to NEMG and YNHHSC. As noted above, the acquisition of PriMed closed on June 1, 2014 and NEMG has already assumed 40% ownership of FCEC.

- d. List any changes to the clinical services offered by the Applicants that result from this proposal, and provide an explanation.

At this time, there are no planned changes to the clinical services offered at FCEC that will result from this proposal. The same services currently provided at FCEC will continue to be provided by the same practicing physicians.

- e. Describe the existing population served by the facility changing ownership or control, and how the proposal will impact these populations. Include demographic information as appropriate.

The existing population served by FCEC includes individuals requiring gastrointestinal services such as colonoscopies, polypectomies, upper endoscopies, and esophageal dilation. Patient origin data demonstrate 80% of the patient population that visited FCEC in 2013 and 2014 (ytd) resides in the following communities:

- Bridgeport (21%)
- Trumbull (17%)
- Stratford (14%)
- Shelton (11%)
- Fairfield (7%)
- Monroe (6%)
- Milford (5%)

The remaining 20% are generally from towns surrounding or near to those listed above such as Easton, Seymour, Huntington, Oxford, Ansonia, Derby, West Haven, Westport, and Orange.

As noted previously, the same physicians who have historically practiced at FCEC will continue to do so and therefore there are no anticipated changes to the patient population, although other NEMG physicians may refer to FCEC and, at some point in the future, other qualified NEMG physicians may practice there.

- f. Describe the transition plan and how the Applicants will ensure continuity of services. Provide a copy of a transition plan, if available.

As noted earlier in this CON application, the proposed change of ownership of the endoscopy center is part of the larger acquisition of PriMed, LLC by NEMG. Effective June 1, 2014, PriMed, LLC physicians and staff transitioned to NEMG. This change was publicized in local newspapers and on the YNHHS website. To ensure fairness and consistency for all PriMed employees, all staff at the endoscopy center also became NEMG employees as of the same date, and those employees currently provide services to FCEC under an employee leasing arrangement.

Following CON approval, patients will be notified of the change of ownership to 100% NEMG through the following mechanisms:

- **Letters will be mailed to patients already scheduled for procedures or appointments;**
- **Fliers will be placed in the waiting room of the endoscopy center informing patients of the new ownership; and**
- **Patients will be told about the change of ownership when they call to schedule a new appointment.**

Payer contracts will be assigned to NEMG, but NEMG has committed to payers that the PriMed transaction as a whole will be revenue neutral to payers (and should not cause any impact to patient financial liability unless their benefits change), and so NEMG will not seek to move FCEC to the NEMG fee schedule.

The endoscopy center will be transitioned to Epic, NEMG's electronic medical record system. The transition to Epic is expected to be complete by the end of January 2015. The endoscopy center will be accredited by the Joint Commission as an NEMG site. NEMG's and the endoscopy center's websites will be updated to reflect the new ownership. Finally, forms, printed materials, and signage will all be changed to reflect NEMG's ownership of the endoscopy center.

- g. For each Applicant (and any new entities to be created as a result of the proposal), provide the following information as it would appear prior and subsequent to approval of this proposal:
- i. Legal chart of corporate or entity structure including all affiliates.
 - ii. List of owners and the % ownership and shares of each.

A legal chart of corporate structure for each Applicant including affiliates is provided in Attachment III. NEMG is a medical foundation established by YNHHS. PriMed Gastroenterology, LLC is a Connecticut limited liability company with two members; PriMed, LLC (60%) and NEMG (40%). Subsequent to the proposal, PriMed Gastroenterology, LLC will be dissolved and the endoscopy center will become part of NEMG.

- h. Provide copies of all signed written agreements or memorandum of understanding, including all exhibits/attachments, between the Applicants related to the proposal. Note: If a final version is not available, provide a draft with an estimated date by which the final agreement will be available.

A copy of the executed Supplemental Purchase Agreement between NEMG and PriMed has been provided in Attachment IV.

2. Quality Measures

- a. Submit a list of all key professional, administrative, clinical, and direct service personnel related to the proposal. Attach a copy of their Curriculum Vitae.

Key professional, administrative, clinical and direct service personnel related to the proposal are listed below:

NEMG:

**Robert Nordgren, MD, Chief Executive Officer
Michael Loftus, Chief Financial Officer**

**Arnold DoRosario, MD, Vice-President, Population Health (former PriMed executive and PriMed Gastroenterology, LLC Manager)
Amit Rastogi, MD, Chief Operating Officer (former President of PriMed, LLC, Board Member PriMed Gastroenterology, LLC**

Former PriMed Physicians Currently Practicing at FCEC:

**Bryan Burns, MD
Wang Lam, MD
Alan Landau, MD
Gordon Latzman, MD
Edwin Levine, MD, Medical Director FCEC
Scott Weiss, MD**

Copies of CVs are included in Attachment V.

- b. Explain how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region, including but not limited to, (1) provision of or any change in the access to services for Medicaid recipients and indigent persons, and (2) the impact upon the cost effectiveness of providing access to services provided under the Medicaid program.

The proposal will ensure continued access to FCEC services and physicians. FCEC has provided services to Medicaid recipients and will continue to do so under NEMG's ownership.

Cost effectiveness will be improved as part of the proposal. NEMG has access to more competitive pricing for certain medical supplies and will provide finance, human resource and general administrative overhead with its existing infrastructure. Such services were previously purchased by FCEC. Reduced operating expenses will better position the facility for financial success in the future and ensure its accessibility for patients insured by Medicaid or other health insurance plans.

3. Historical and Projected Volume

- a. In table format, provide historical volumes (three **full** years and the current year-to-date) by service as applicable to the proposal. For hospital ownership changes, please skip Tables 1 and 2 and complete Tables 3a, 3b, 4a and 4c.

TABLE 1
HISTORICAL UTILIZATION BY SERVICE

Service**	Actual Volume (Last 3 Completed FYs)			CFY Volume*
	FY 2011	FY 2012	FY 2013	FY 2014
GI Procedures ¹	5,504	5,657	5,863	2,942 (6 months)
Total	5,504	5,657	5,863	2,942 (6 months)

*For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than six months, report actual volume and identify the period covered.

**Identify each service type and add lines as necessary. Provide the number of visits or discharges as appropriate for each service listed.

***Fill in years. In a footnote, identify the period covered by the Applicant's FY (e.g. July 1-June 30, calendar year, etc.).

¹ Approximately 70% of the procedures are related to the upper gastrointestinal tract and the remaining 30% are lower gastrointestinal tract procedures.

- b. Complete the following table for the first three **full** fiscal years ("FY"), for the projected volumes by service as applicable to the proposal (if the first year is a partial year, include that as well).

TABLE 2
PROJECTED UTILIZATION BY SERVICE

Service*	Projected Volume		
	FY 2015	FY 2016	FY 2017
GI Procedures	5,884	5,884	5,884
Total	5,884	5,884	5,884

*Identify each service type by location and add lines as necessary. Provide the number of visits/discharges as appropriate for each service listed.

**If the first year of the proposal is only a partial year, provide the first partial year and then the first three full FYs. Add columns as necessary. In a footnote, identify the period covered by the Applicant's fiscal year FY (e.g. July 1-June 30, calendar year, etc.).

- d. In table format, provide historical volumes (three **full** years and the current year-to-date) for the number of discharges and patient days by service.

TABLE 3A
HISTORICAL AND CURRENT DISCHARGES

Not applicable. This proposal pertains to an outpatient service.

Service*	Actual Volume (Last 3 Completed FYs)			
	FY**	FY**	FY**	CFY***
Medical/Surgical				
Maternity				
Psychiatric				
Rehabilitation				
Pediatric				
Total				

*Provide the number of discharges for each service listed (Medical/Surgical, Maternity, Psychiatric, Rehabilitation, and Pediatric).

**Fill in years. In a footnote, identify the period covered by the Applicant's FY (e.g., July 1-June 30, calendar year, etc.).

***For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than six months, report actual volume and identify the period covered.

**TABLE 3B
HISTORICAL AND CURRENT PATIENT DAYS**

Not applicable. This proposal pertains to an outpatient service.

Service*	Actual Volume (Last 3 Completed FYs)			
	FY**	FY**	FY**	CFY***
Medical/Surgical				
Maternity				
Psychiatric				
Rehabilitation				
Pediatric				
Total				

*Provide the number of patient days for each service listed (Medical/Surgical, Maternity, Psychiatric, Rehabilitation, and Pediatric).
 **Fill in years. In a footnote, identify the period covered by the Applicant's FY (e.g., July 1-June 30, calendar year, etc.).
 ***For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than six months, report actual volume and identify the period covered.

- e. Complete the following tables for the first three **full** fiscal years ("FY"), for the projected number of discharges and patient days by service (if the first year is a partial year, include that as well).

**TABLE 4A
PROJECTED DISCHARGES BY SERVICE**

Not applicable. This proposal pertains to an outpatient service.

Service*	Projected Volume			
	FY**	FY**	FY**	FY**
Medical/Surgical				
Maternity				
Psychiatric				
Rehabilitation				
Pediatric				
Total				

*Provide the number of discharges for each service listed (Medical/Surgical, Maternity, Psychiatric, Rehabilitation, and Pediatric).

**If the first year of the proposal is only a partial year, provide the first partial year and then the first three full FYs. Add columns as necessary. In a footnote, identify the period covered by the Applicant's fiscal year FY (e.g. July 1-June 30, calendar year, etc.).

**TABLE 4B
PROJECTED PATIENT DAYS BY SERVICE**

Not applicable. This proposal pertains to an outpatient service.

Service*	Projected Volume			
	FY**	FY**	FY**	FY**
Medical/Surgical				
Maternity				
Psychiatric				
Rehabilitation				
Pediatric				
Total				

*Provide the number of patient days for each service listed (Medical/Surgical, Maternity, Psychiatric, Rehabilitation, and Pediatric).

**If the first year of the proposal is only a partial year, provide the first partial year and then the first three full FYs. Add columns as necessary. In a footnote, identify the period covered by the Applicant's fiscal year FY (e.g. July 1-June 30, calendar year, etc.).

- f. Explain any increases and/or decreases in historical volumes reported in the tables above.

Historical procedure volume has been growing approximately 2% per year. Recent growth has been limited as the facility only has two (2) procedure rooms and each room's capacity is approximately 3,000 procedures per year. Annualized FY 2014 volume, based on 6 months actual, will approach 5,900 procedures.

- g. Provide a detailed explanation of all assumptions used in the derivation/ calculation of the projected volume.

The facility has two (2) procedure rooms with capacity to perform approximately 12 procedures per day or 3,000 per year. The facility is performing slightly less than the 6,000 procedure annual capacity and therefore there is no growth projected from FY 2014 annualized volume.

4. Organizational and Financial Information

- a. Identify the Applicant's ownership type(s) (e.g. Corporation, PC, LLC, etc.).

NEMG is a nonprofit, nonstock corporation. PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center is a limited liability company.

- b. Does the Applicant have non-profit status?

Yes (Provide documentation) No

NEMG has non-profit status. A copy of a letter from the Internal Revenue Service indicating NEMG's tax exempt status has been provided in Attachment VI.

- c. Provide a copy of the State of Connecticut, Department of Public Health license(s) currently held by the Applicant and indicate any additional licensure categories being sought in relation to the proposal.

Attachment I was previously referenced and contains a copy of the Department of Public Health license for PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center. NEMG will seek approval from the Department of Public Health to change the licensee name as required.

- d. Financial Statements

- i. If the Applicant is a Connecticut hospital: Pursuant to Section 19a-644, C.G.S., each hospital licensed by the Department of Public Health is required to file with OHCA copies of the hospital's audited financial statements. If the hospital has filed its most recently completed fiscal year audited financial statements, the hospital may reference that filing for this proposal.
- ii. If the Applicant is not a Connecticut hospital (other health care facilities): Audited financial statements for the most recently completed fiscal year. If audited financial statements do not exist, in lieu of audited financial statements, provide other financial documentation (e.g. unaudited balance sheet, statement of operations, tax return, or other set of books.)

Attachment VII includes copies of audited financial statements for the most recently completed fiscal year for both applicants.

- E. Submit a final version of all capital expenditures/costs as follows:

TABLE 5
TOTAL PROPOSAL CAPITAL EXPENDITURE

Purchase/Lease	Cost
Equipment (Medical, Non-medical Imaging)	
Land/Building Purchase*	
Construction/Renovation**	
Land/Building Purchase*	
Other (specify) <u>FMV of FCEC</u>	5,500,000
Total Capital Expenditure (TCE)	
Lease (Medical, Non-medical Imaging)***	
Total Capital Cost (TCO)	
Total Project Cost (TCE+TCO)	5,500,000

*If the proposal involves a land/building purchase, attach a real estate property appraisal including the amount; the useful life of the building; and a schedule of depreciation.

**If the proposal involves construction/renovations, attach a description of the proposed building work, including the gross square feet; existing and proposed floor plans; commencement date for the construction/renovation; completion date of the construction/renovation; and commencement of operations date.

***If the proposal involves a capital or operating equipment lease and/or purchase, attach a vendor quote or invoice; schedule of depreciation; useful life of the equipment; and anticipated residual value at the end of the lease or loan term.

- f. List all funding or financing sources for the proposal and the dollar amount of each. Provide applicable details such as interest rate; term; monthly payment; pledges and funds received to date; letter of interest or approval from a lending institution.

The source of the funding for this proposal is an equity contribution from cash reserves.

- g. Demonstrate how this proposal will impact the financial strength of the health care system in the state or that the proposal is financially feasible for the applicant.

Consistent with health care reform, as previously noted, this proposal is being pursued as part of a larger acquisition of PriMed, LLC by NEMG. Healthcare delivery is rapidly evolving from isolated physician offices, hospitals and walk-in centers into seamless and efficient integrated systems that provide high quality, cost-effective care. NEMG will bring a number of efficiencies and enhancements to the PriMed locations including the Epic electronic medical record system, expertise and infrastructure for

billing, compliance and other essential data management requirements. Care will be enhanced for former PriMed physicians and patients by being part of this large group practice affiliated with Yale New Haven Health System. All of these enhancements will lead to more cost-effective care, thus strengthening the health care system in the State of Connecticut. As shown in the CON Financial schedules, the proposal is financially feasible for NEMG.

5. Patient Population Mix: Current and Projected

- a. Provide the current and projected volume (and corresponding percentages) by patient population mix; including, but not limited to, access to services by Medicaid recipients and indigent persons for the proposed program.

TABLE 6
APPLICANT'S CURRENT & PROJECTED PAYER MIX

Payer	Most Recently Completed FY 2013		Projected					
			FY 2014 ^A		FY 2015		FY 2016	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare*	1,050	18%	578	20%	578	20%	578	20%
Medicaid*	121	2%	73	2%	73	2%	73	2%
CHAMPUS & TriCare	1	0%	0	0%	0	0%	0	0%
Total Government	1,172	20%	651	22%	651	22%	651	22%
Commercial Insurers	4,671	80%	2,275	77%	2,275	77%	2,275	77%
Uninsured	20	0%	16	1%	16	1%	16	1%
Workers Compensation	0	0%	0	0%	0	0%	0	0%
Total Non- Government	4,691	80%	2,291	78%	2,291	78%	2,291	78%
Total Payer Mix	5,863	100%	2,942	100%	2,942	100%	2,942	100%

^A- Based on Jan- June 2014

*Includes managed care activity.

**Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided.

Note: The patient population mix should be based on patient volumes, not patient revenues.

- b. Provide the basis for/assumptions used to project the patient population mix.

Projected patient population mix is not anticipated to change from current experience. There are no immediate changes anticipated to the physicians practicing at FCEC. Therefore, existing referral relationships are anticipated to continue with no substantive change in patient population mix.

- c. For the Medicaid population only, provide the assumptions and actual calculation used to determine the projected patient volume.

Historical procedure volume for the Medicaid population is 2% and as noted above, there are no immediate substantive changes projected in patient population mix.

- d. If the proposal fails to provide or reduces access to services by Medicaid recipients or indigent persons, provide explanation for good cause for doing so. Note: good cause shall not be demonstrated solely on the basis of differences in reimbursement rates between Medicaid and other health care payers.

Not applicable. The proposal is not expected to reduce access to services by Medicaid recipients.

6. Financial Attachment I

- a. Provide a summary of revenue, expense, and volume statistics, without the CON project, incremental to the CON project, and with the CON project. **Complete Financial Attachment I.** (Note that the actual results for the fiscal year reported in the first column must agree with the Applicant's audited financial statements.) The projections must include the first three full fiscal years of the project.

Attachment VIII contains a summary of revenue, expense and volume statistics with and without the CON project and incremental to the CON project for each Applicant. Financial Attachment II was not completed for PriMed Gastroenterology, LLC because it will no longer own the endoscopy center and there are no incremental operating expenses.

- b. Provide the assumptions utilized in developing **Financial Attachment I** (e.g., full-time equivalents, volume statistics, other expenses, revenue and expense % increases, project commencement of operation date, etc.).

Attachment IX contains the assumptions utilized in developing Financial Attachment I for each Applicant.

- c. Identify the entity that will be billing for the proposed service(s).

The entity that will be billing for the proposed services is NEMG. Following the change of ownership, the limited liability company known as PriMed Gastroenterology, LLC will be dissolved. The services provided at the endoscopy center will be billed under NEMG's provider number.

- d. As a result of the proposal, will there be any change to existing reimbursement contracts between the Applicants and payers (e.g. Medicare, Medicaid, commercial)? Explain.

As a result of the proposal, NEMG will assume FCEC's existing payer contracts, in keeping with its commitment to ensure that the transaction is revenue neutral to payers.

- e. Provide the minimum number of units required to show an incremental gain from operations for each fiscal year.

There are no projected incremental losses. Approximately 3,925 procedures are required to break-even.

- f. Explain any projected incremental losses from operations contained in the financial projections that result from the implementation and operation of the CON proposal.

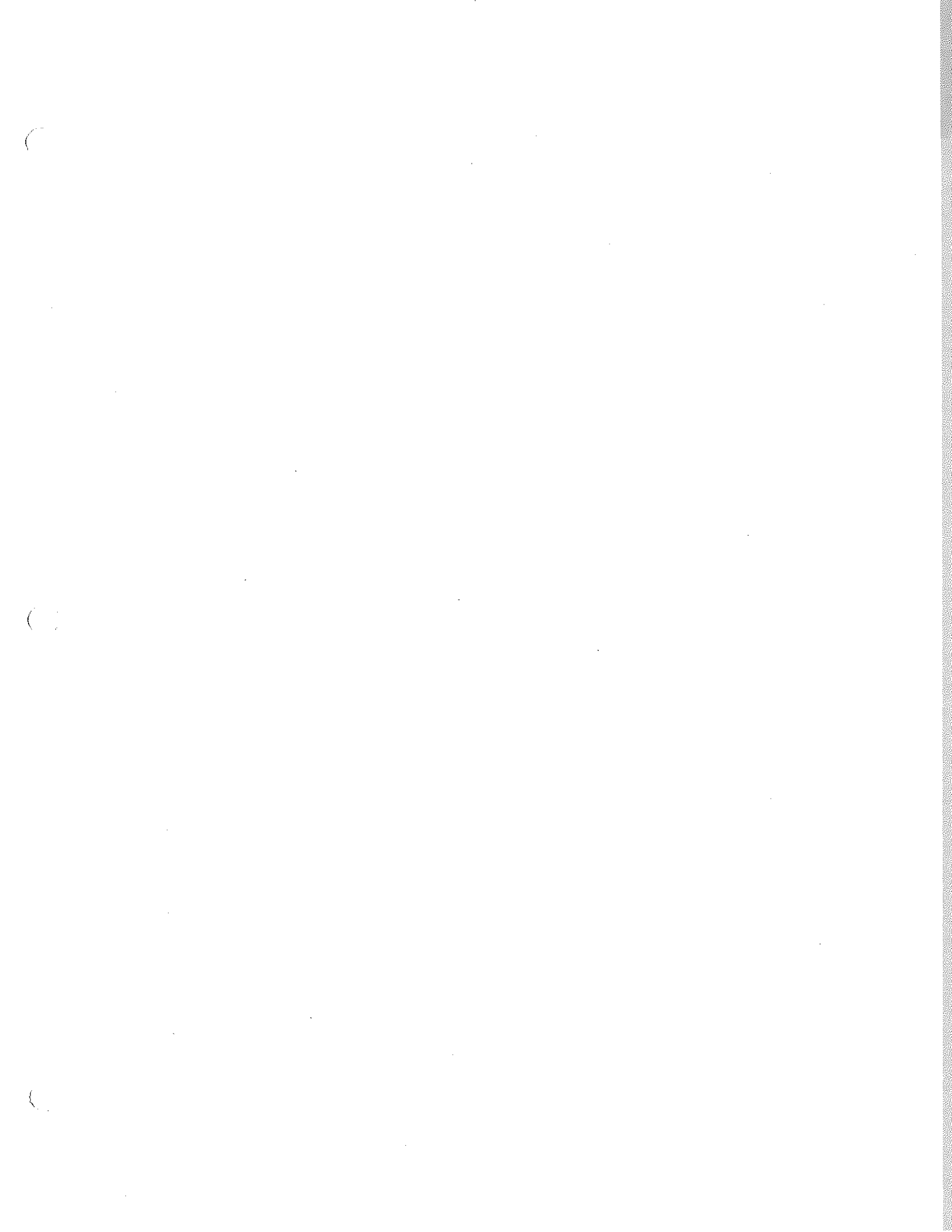
Not applicable. There are no projected incremental losses from operations contained in the financial projections.

- g. Describe how this proposal is cost effective.

As previously noted, NEMG will bring a number of efficiencies and cost savings to FCEC including:

- **Epic's electronic medical record system and practice management system;**
- **Infrastructure for billing, compliance and other essential data management requirements that were previously purchased; and**
- **Lower purchase prices for medical supplies as per YNHHS vendor contracts.**

These cost efficiencies will ensure continued operation and access to FCEC, positioning the facility for success under health care reform.



ATTACHMENT I

DPH LICENSE FOR PRIMED GASTROENTEROLOGY, LLC D/B/A FAIRFIELD
COUNTY ENDOSCOPY CENTER (FCEC)

STATE OF CONNECTICUT**Department of Public Health****LICENSE****LICENSE NO. 0276****Outpatient Surgical Facility**

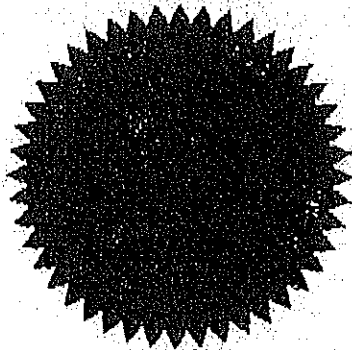
In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Primed Gastroenterology, LLC of Trumbull, CT, d/b/a Fairfield County Endoscopy Center is hereby licensed to maintain and operate an Outpatient Surgical Facility.

Fairfield County Endoscopy Center is located at 888 White Plains Road, Trumbull, CT 06611.

This license expires December 31, 2014 and may be revoked for cause at any time.

Dated at Hartford, Connecticut, January 1, 2013. RENEWAL



Jewel Mullen, MD, MPH, MPA
Commissioner



ATTACHMENT II
CON DETERMINATION DECISION
14-31907-DTR

Greer, Leslie

From: Martone, Kim
Sent: Thursday, April 03, 2014 8:54 AM
To: Greer, Leslie; Hansted, Kevin
Subject: FW: OHCA Determination
Attachments: 2014.04.02-State of Connecticut OCHA CON determination form-LRSD-JW.PDF

From: Rosenthal, Nancy [<mailto:Nancy.Rosenthal@greenwichhospital.org>]
Sent: Wednesday, April 02, 2014 2:56 PM
To: Martone, Kim
Cc: Willcox, Jennifer; McKennan, Matthew; Matthews, Rebecca
Subject: OHCA Determination

Kim,

Attached is the Determination Form and associated affidavits as promised. A hard copy is on its way to your office.

Thank you.

Nancy

Nancy Rosenthal
Senior Vice President-Health Systems Development

Greenwich Hospital
5 Perryridge Rd.
Greenwich, CT 06830
Phone:(203) 863-3908

Nancy.Rosenthal@greenwichhospital.org

www.greenwichhospital.org

Please consider the environment
before printing this email.

This message originates from the Yale New Haven Health System. The information contained in this message may be privileged and confidential. If you are the intended recipient you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you.



February 17, 2014

Ms. Kimberly Martone
Director of Operations
Office of Health Care Access
410 Capital Avenue, MS #13HCA
P.O. Box 340308
Hartford, CT 06134

RE: Northeast Medical Group, Inc.
PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center

Dear Ms. Martone:

PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center (FCEC) is a single member limited liability company that owns and operates a for-profit outpatient surgical facility located at 888 White Plains Road, Suite 210, Trumbull, CT 06611 (the "Center"). The sole member of FCEC is PriMed, LLC (PriMed). PriMed is an integrated medical group that is owned exclusively by physicians that practice in the greater Bridgeport area. On April 16, 2002, the Office of Health Care Access (OHCA) issued a Final Decision which states that FCEC could establish the Center with two operating rooms. (Docket No. 01-551-CON). On August 17, 2012, OHCA determined that the Center could add one operating room for a total of three operating rooms without Certificate of Need approval. (Docket No. 12-31760-DTR).

PriMed has decided to sell forty (40%) percent of its interest in FCEC to Northeast Medical Group, Inc. (NEMG), a non-profit medical foundation established under Chapter 594b of the Connecticut General Statutes. NEMG is the medical foundation affiliated with Yale-New Haven Health Services Corporation (Y-NHHS), a non-profit health system. After the transaction, PriMed will retain majority control over the operations of FCEC and the Center. Its size and location, the population served and the services provided will remain the same. NEMG will own a 40% interest in FCEC, and the remainder will be held by the current owner – PriMed. The parties intend to sign an Amended and Restated Operating Agreement which will include, among other provisions, certain powers reserved to NEMG to ensure that the Center is operated in a manner to preserve NEMG's tax-exempt status.

The sale of a 40% interest in the Center to NEMG is part of a larger acquisition in which NEMG is acquiring substantially all the assets of PriMed and engaging the physician members and employees of PriMed to provide health care services at the former PriMed locations. The parties anticipate that prior to or upon the closing of this larger transaction, NEMG will file a Certificate of Need application with OHCA related to a second transaction in which NEMG will propose to acquire one-hundred (100%) percent of the remaining interests in FCEC held by PriMed. At this

789 Howard Avenue
New Haven, CT 06519

time, however, PriMed intends to sell to NEMG only a forty (40%) percent interest in the Center and PriMed will retain majority control.

It is our understanding that under Section 19a-493b(c) of the Connecticut General Statutes, Certificate of Need approval is not required for this transaction because after closing FCEC will remain a limited liability company in which PriMed (which is exclusively physician-owned) will continue to own a sixty (60%) percent interest and over which PriMed will retain control.

The parties plan to conclude the initial phase of the transaction by April 30, 2014. Please notify me prior to that date if OHCA determines that the requirements of Section 19a-493b(c) have not been met, such that a Certificate of Need is required to close on NEMG's acquisition of a 40% interest in the Center. Otherwise, we will proceed to closing, and file our Certificate of Need application for NEMG's acquisition of the remaining sixty percent (60%) interest, if you have any questions, please let me know.

Thank you for your timely review of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Rosenthal".

Nancy Rosenthal
Senior Vice President – Health System Development

cc: Jennifer Willcox, Esq.
Amit Rastogi, M.D., PriMed LLC



**State of Connecticut
Office of Health Care Access
CON Determination Form
Form 2020**

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form should be submitted to the Director of the Office of Health Care Access, 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

	Petitioner	Petitioner
Full Legal Name	Northeast Medical Group, Inc.	PriMed Gastroenterology, LLC
Doing Business As	Northeast Medical Group, Inc.	Fairfield County Endoscopy Center
Name of Parent Corporation	Yale-New Haven Health Services Corporation	PriMed, LLC
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	789 Howard Avenue, New Haven, CT 06519	888 White Plains Road Suite 210, Trumbull, CT 06611
What is the Petitioner's Status: P for profit and NP for Nonprofit	NP	P
Contact Person at Facility , including Title/Position: This Individual at the facility will be the Petitioner's Designee to receive all correspondence in this matter.	Nancy Rosenthal, Senior VP Health Systems Development	Arnold Dorosario, M.D., Manager

Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	5 Perryridge Road, Greenwich, CT 06830	55 E. Common Rd. Easton, CT 06612
Contact Person's Telephone Number	203-863-3908	(203) 374-6162
Contact Person's Fax Number	203-863-4736	(203) 374-1549
Contact Person's e-mail Address	<u>Nancy.rosenthal@greenwichhospital.org</u>	<u>Arnold_Dorosario@primedmd.com</u>

SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title: Acquisition of 40% membership interest in PriMed Gastroenterology, LLC by Northeast Medical Group, Inc.
- b. Estimated Total Project Cost: \$2.5 million
- c. Location of proposal, identifying Street Address, Town and Zip Code: 888 White Plains Road Suite 210, Trumbull, CT 06611
- d. List each town this project is intended to serve: Bridgeport, Easton, Fairfield, Milford, Monroe, Shelton, Stratford, and Trumbull
- e. Estimated starting date for the project: June 1, 2014 pending OHCA determination

SECTION IV. PROPOSAL DESCRIPTION

Please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following elements need to be addressed, if applicable:

1. If applicable, identify the types of services currently provided and provide a copy of each Department of Public Health license held by the Petitioner.
2. Identify the types of services that are being proposed and what DPH licensure categories will be sought, if applicable.
3. Identify the current population served and the target population to be served.

PROPOSAL DESCRIPTION

PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center (FCEC) is a single-member limited liability company that owns and operates an outpatient surgical facility located at 888 White Plains Road, Suite 210, Trumbull, CT 06611 (the "Center"). The Center offers gastrointestinal services such as colonoscopies, polypectomies, upper endoscopies, and esophageal dilation. Please see the attached DPH license. The sole member of FCEC is PriMed, LLC (PriMed). PriMed is an integrated medical practice that is owned exclusively by licensed physicians that practice in the greater Bridgeport area.

PriMed intends to sell a forty percent (40%) interest in the Center to Northeast Medical Group, Inc. (NEMG). NEMG is a non-profit medical foundation established under Chapter 594b of the Connecticut General Statutes and is affiliated with Yale New Haven Health System. Upon admission of NEMG as a minority member of FCEC, the current physician owners will continue to own and control a majority sixty percent (60%) interest in the Center.

The Center will continue to provide high-quality outpatient endoscopy services to patients who reside primarily in the towns indicated in Section II, (d) above. The Center's scope of services will not change as a result of the transaction, and the size, location, and population served will remain the same. Once NEMG acquires a forty percent (40%) interest and so becomes a member of PriMed Gastroenterology, LLC, the members of the LLC, NEMG and PriMed, will sign an Amended and Restated Operating Agreement which will include, among other provisions, certain powers reserved to NEMG to ensure that the Center is operated in a manner to preserve NEMG's tax-exempt status. The current physician owners of PriMed will retain majority control of the Center, through PriMed's 60% ownership stake.

The sale of a forty percent (40%) interest in the Center to NEMG is part of a larger acquisition in which NEMG is acquiring substantially all of the assets of PriMed and engaging the physician members and employees of PriMed to provide health care services at the former PriMed locations. No other aspects of this larger acquisition require CON approval. After closing on the acquisition of PriMed and a minority interest in the Center in this first phase, the parties anticipate filing a CON application with OHCA related to a second phase of the transaction, in which NEMG will propose to acquire one-hundred (100%) of the remaining membership interests in FCEC held by PriMed. At this time, however, PriMed intends to sell to NEMG only a forty percent (40%) interest in the Center and PriMed will retain majority control.

With this Determination Request, FCEC and NEMG request that OHCA confirm that in accordance with Conn. Gen. Stat. § 19a-493b(c), a CON is not required for the admission of NEMG as a minority member of the Center. As required under Conn. Gen. Stat. § 19a-493b(c), the Center prior to this transfer is owned and controlled exclusively by a limited liability company owned exclusively by physicians licensed to practice medicine in the State of Connecticut. After the admission of NEMG as a minority member of the Center, the same licensed physicians will continue to own and control sixty percent (60%) of the membership interests in the Center through their exclusive ownership of PriMed, LLC. This transaction meets the threshold established under Section 19a-493b(c).

For the foregoing reasons, FCEC and NEMG request that OHCA make a determination that the Center is not required to submit a CON application prior to PriMed selling a 40% minority interest in the Center to NEMG as set forth herein.

SECTION V. AFFIDAVIT

(Each Petitioner must submit a completed Affidavit.)

Petitioner: Northeast Medical Group, Inc.

Project Title: Acquisition of 40% membership interest in PriMed Gastroenterology, LLC by Northeast Medical Group, Inc.

I, Rob Nordgren, M.D., CEO
(Name) (Position – CEO or CFO)

of Northeast Medical Group, Inc. being duly sworn, depose and state that the
(Organization Name)

information provided in this CON Determination form is true and accurate to the best of my knowledge.

[Signature] 4/2/2014
Signature Date

Subscribed and sworn to before me on April 2, 2014

[Signature]
Notary Public/Commissioner of Superior Court

IRENE NOEL
NOTARY PUBLIC
State of Connecticut
My Commission Expires
May 4, 2014

My commission expires: _____

SECTION V. AFFIDAVIT

(Each Petitioner must submit a completed Affidavit.)

Petitioner: PriMed Gastroenterology, LLC

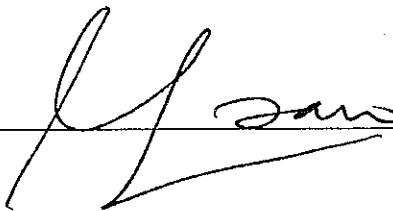
Project Title: Acquisition of 40% membership interest in PriMed Gastroenterology, LLC by Northeast Medical Group, Inc.

I, Arnold Dorosario, M.D., Manager

(Name) (Position – CEO or CFO)

of PriMed Gastroenterology, LLC being duly sworn, depose and state that the
(Organization Name)

information provided in this CON Determination form is true and accurate to the best of my knowledge.

Signature  Date 3/31/14

Subscribed and sworn to before me on 3/31/14


Notary Public/Commissioner of Superior Court

LORRAINE THERESA NIEMIEC
NOTARY PUBLIC OF CONNECTICUT
My Commission Expires 2/28/2016

My commission expires: _____



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

April 3, 2014

VIA FACSIMILE ONLY

Nancy Rosenthal
Senior Vice President, Health Systems Development
Yale-New Haven Health Services Corporation
789 Howard Ave.
New Haven, CT 06519

Arnold Dorosario, M.D.
Manager
PriMed Gastroenterology, LLC
888 White Plains Rd
Suite 210
Trumbull, CT 06611

RE: Certificate of Need Determination Report Number 14-31907-DTR
Acquisition of Interest in PriMed Gastroenterology, LLC

Dear Ms. Rosenthal and Dr. Dorosario:

On April 2, 2014, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination Form on behalf of Northeast Medical Group, Inc. d/b/a Fairfield County Endoscopy Center ("Northeast Medical") and PriMed Gastroenterology, LLC ("Center") (Northeast Medical and the Center are herein collectively referred to as the "Petitioners") with respect to the acquisition of an interest in PriMed by Northeast Medical.

The Center is a single-member limited liability company that owns and operates an outpatient surgical facility offering gastrointestinal services and is located at 888 White Plains Road, Suite 210, Trumbull, Connecticut. PriMed, LLC is the sole member of the Center. PriMed, LLC is an integrated medical practice that is owned exclusively by licensed physicians. PriMed, LLC is proposing the sale of a forty percent (40%) interest in the Center to Northeast Medical. After completion of the proposed sale, the current physician owners of the Center will continue to own and control sixty percent (60%) of the Center.

Connecticut General Statutes § 19a-638(a)(2) requires CON authorization for the "transfer of ownership of a health care facility". However, Connecticut General Statutes § 19a-493b(c) provides an exception for outpatient surgical facilities whose Connecticut licensed physician members will maintain a controlling 60% ownership after a transfer of interest in a facility. Since the current physician owners of the Center will maintain a 60% interest in the Center, OHCA hereby determines that a CON *is not required* for the proposed sale.

Sincerely,

Kimberly R. Martone
Director of Operations

C: Rose McLellan, License and Applications Supervisor, DPH, DHSR

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)
410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

* * * COMMUNICATION RESULT REPORT (APR. 3. 2014 3:09PM) * * *

FAX HEADER:

TRANSMITTED/STORED : APR. 3. 2014 3:08PM	FILE MODE	OPTION	ADDRESS	RESULT	PAGE
213	MEMORY TX		912033741549	OK	2/2

REASON FOR ERROR
 E-1) HANG UP OR LINE FAIL
 E-3) NO ANSWER

E-2) BUSY
 E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
 DEPARTMENT OF PUBLIC HEALTH
 OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DR. DOROSARIO

FAX: 203 374-1549

AGENCY: PRI-MED GASTROENTEROLOGY, LLC

FROM: OHCA

DATE: 4/3/14 Time: _____

NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

Determination for acquisition of interest in PriMed Gastroenterology, LLC Report Number: 14-31907

PLEASE PHONE Barbara K. Olejarsz IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7001

Fax: (860) 418-7053

410 Capitol Ave., MS#13HCA
 P.O. Box 340308
 Hartford, CT 06134

* * * COMMUNICATION RESULT REPORT (APR. 3. 2014 3:09PM) * * *

FAX HEADER:

TRANSMITTED/STORED : FILE MODE	APR. 3. 2014 3:09PM OPTION	ADDRESS	RESULT	PAGE
214	MEMORY TX	912038634736	OK	2/2

REASON FOR ERROR
E-1) HANG UP OR LINE FAIL
E-3) NO ANSWER

E-2) BUSY
E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: NANCY ROSENTHAL

FAX: 203 863 4736

AGENCY: YALE-NEW HAVEN

FROM: OHCA

DATE: 4/3/14 Time: _____

NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

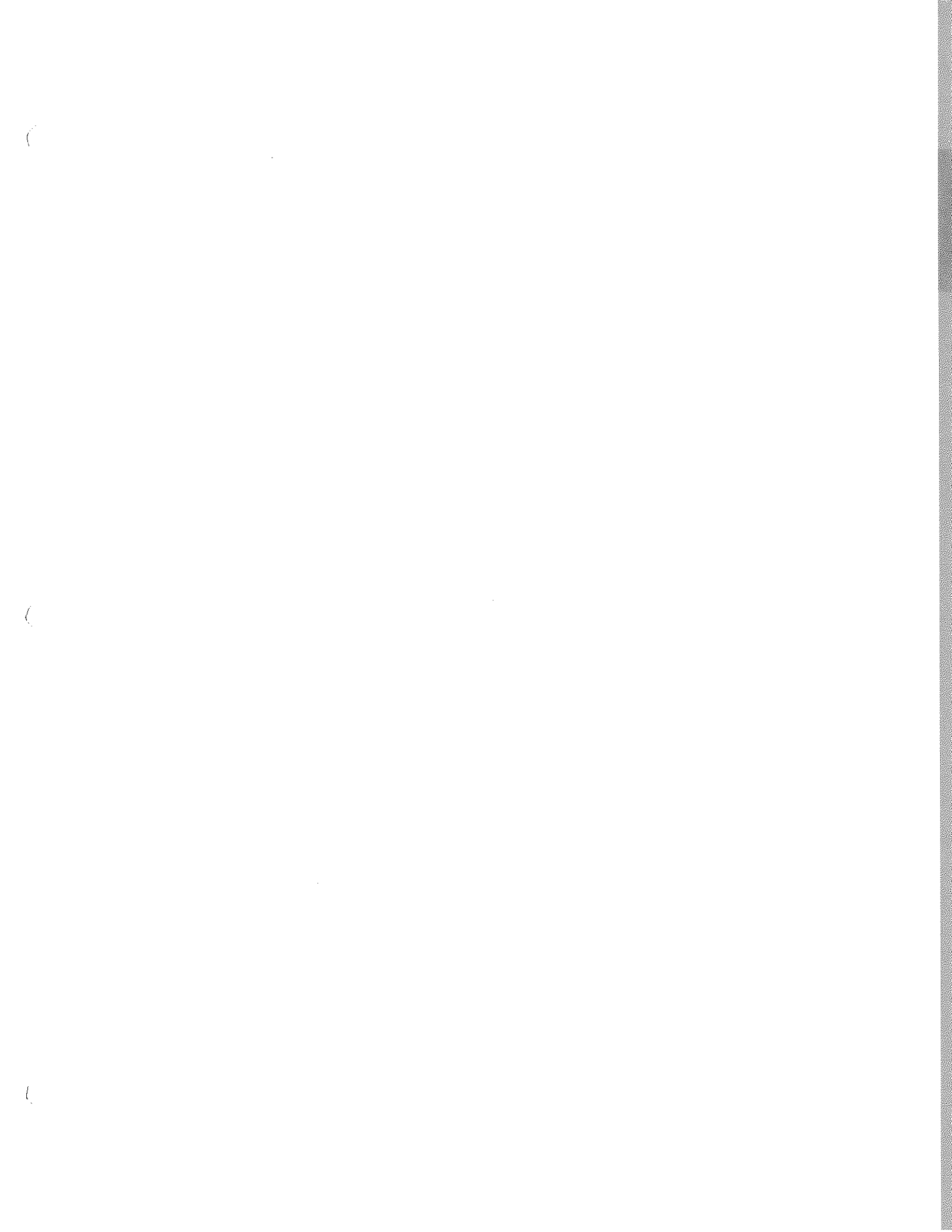
Determination for acquisition of interest in PriMed Gastroenterology,
LLC Report Number: 14-31907

PLEASE PHONE Barbara K. Olejarz IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7091

Fax: (860) 418-7053

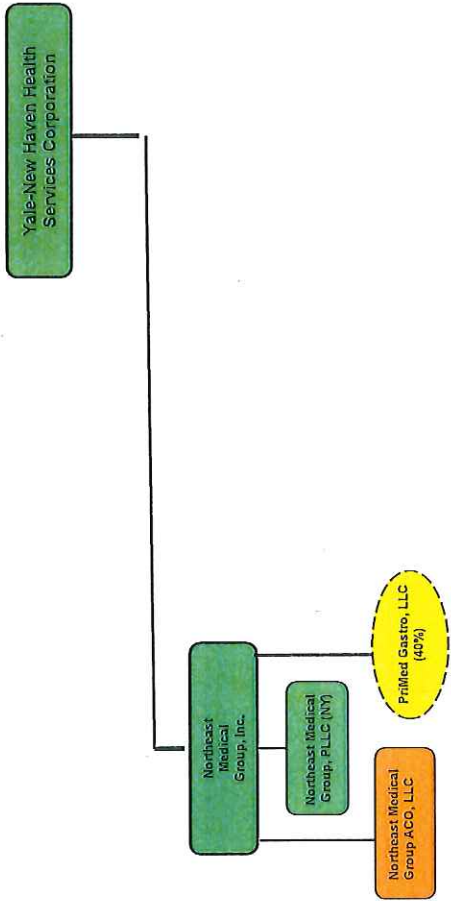
410 Capitol Ave., MS#13HCA
P.O. Box 340308
Hartford, CT 06134



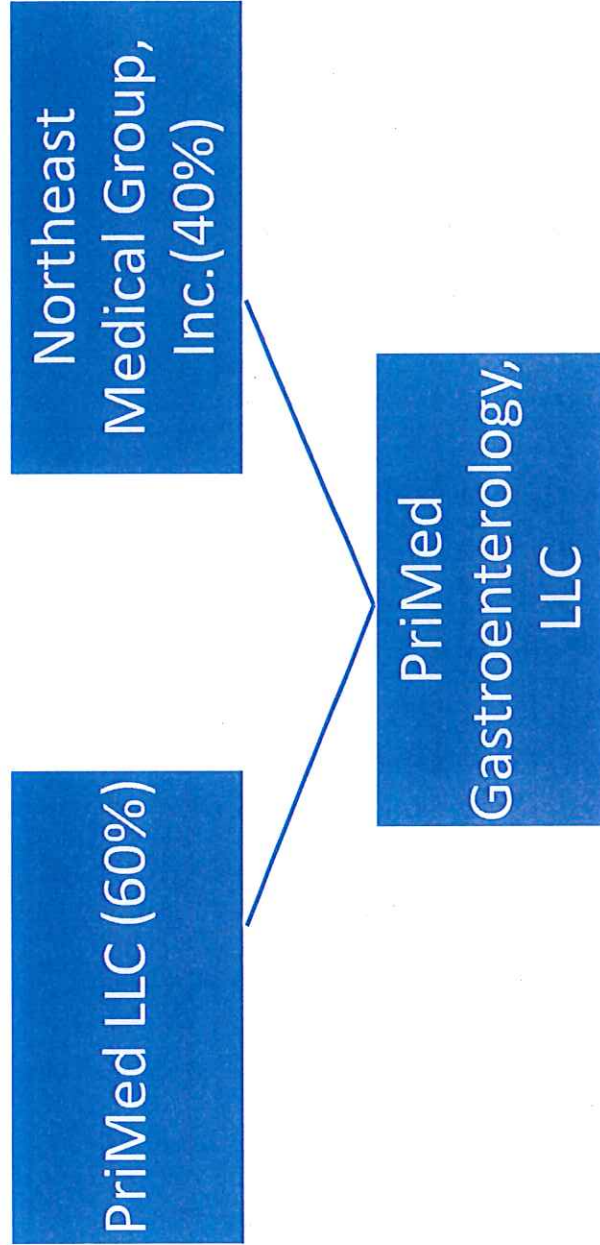
ATTACHMENT III
CORPORATE ORGANIZATIONAL CHARTS

Yale New Haven Health System/Northeast Medical Group, Inc. - Current

Last Updated 07/24/2014

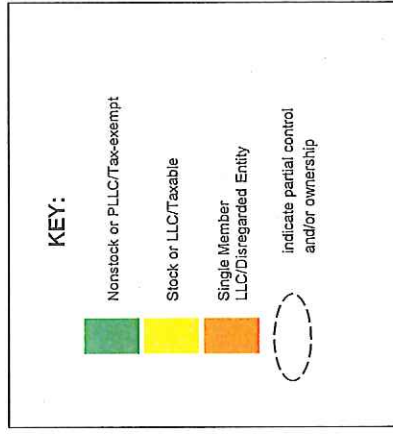
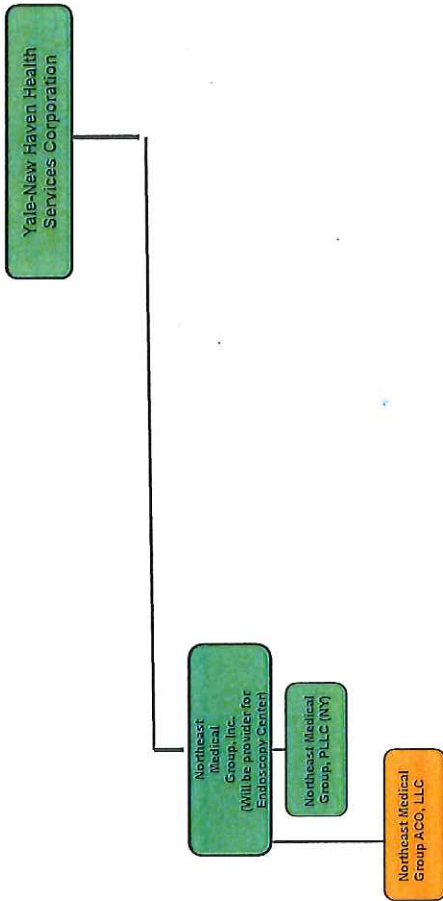


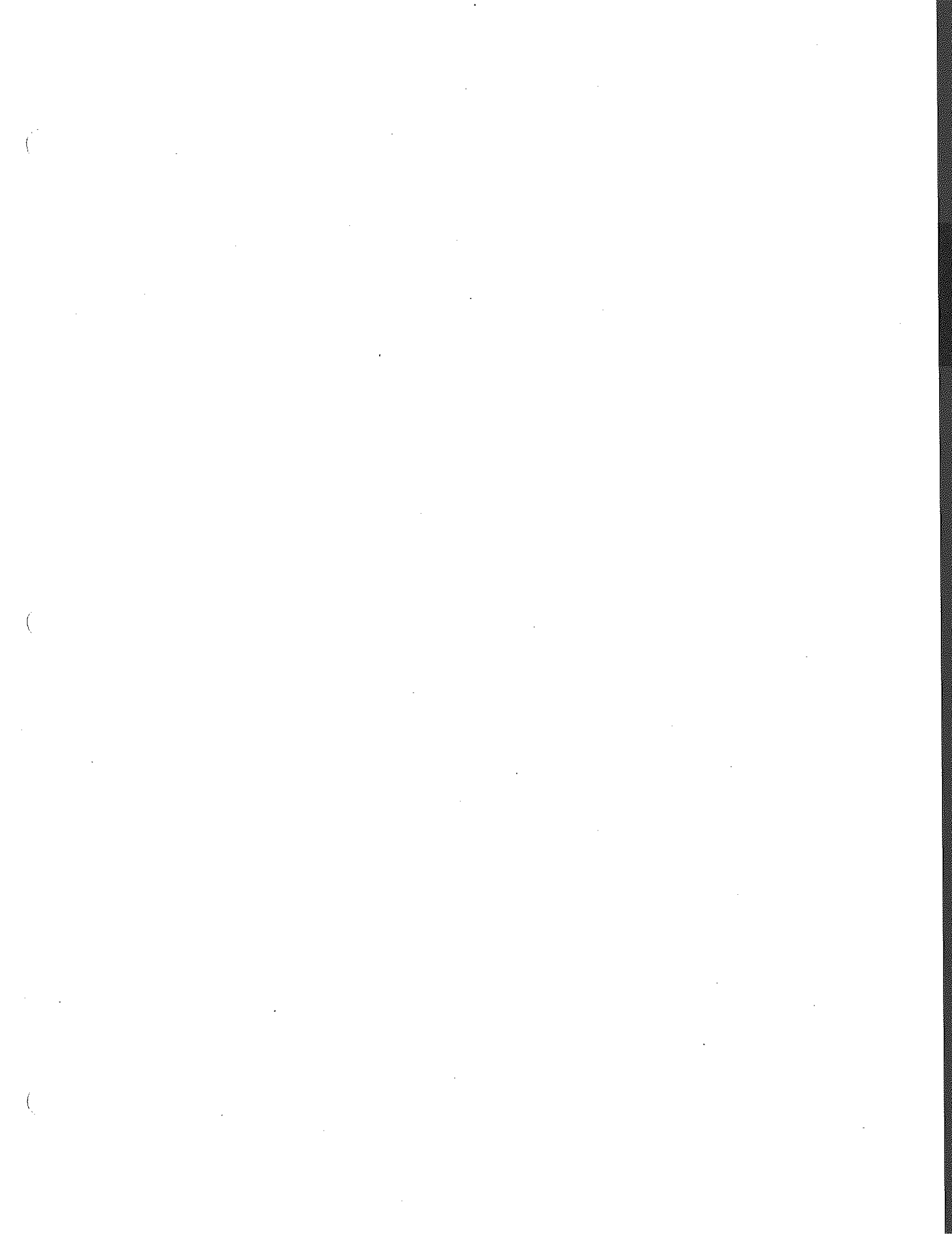
Organizational Chart



Yale New Haven Health System/Northeast Medical Group, Inc. – Subsequent to Proposal

Last Updated 07/24/2014





ATTACHMENT IV
ASSET PURCHASE AGREEMENT

[Execution Copy]

SUPPLEMENTAL PURCHASE AGREEMENT

THIS SUPPLEMENTAL PURCHASE AGREEMENT (this "*Agreement*") is dated June 1, 2014 (the "*Effective Date*"), by and between Northeast Medical Group, Inc., a Connecticut nonstock corporation ("*NEMG*"), and PriMed, LLC, a Connecticut limited liability company ("*PriMed*").

BACKGROUND

WHEREAS, NEMG has, as of the Effective Date, acquired from PriMed units representing a forty-percent interest in PriMed Gastroenterology, LLC (the "*Company*"), a Connecticut limited liability company governed by a certain Amended and Restated Operating Agreement dated as of the Effective Date (the "*Operating Agreement*"), pursuant to the Asset Purchase Agreement, dated as of February 14, 2014 (the "*Asset Purchase Agreement*"), by and among NEMG, Yale-New Haven Health Services Corporation and PriMed; and

WHEREAS, NEMG desires to purchase from PriMed, and PriMed desires to sell to NEMG, all of PriMed's remaining units in the Company (the "*Units*") in return for the Purchase Price (as defined below), on the terms and subject to the conditions set forth herein; and

WHEREAS, following the purchase, NEMG intends to dissolve the Company and transfer its assets directly to NEMG (or an affiliate) to be operated as a program or service of NEMG (or such affiliate).

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the parties, intending to be legally bound, hereby agree as follows:

1. Purchase and Sale of the Units.

1.1 **Purchase.** On and subject to the terms of this Agreement, at the Closing (as defined in Section 1.2) NEMG (or, at its election, an affiliate of NEMG) shall purchase from PriMed, and PriMed shall sell, transfer, assign and convey to NEMG (or such affiliate), all of PriMed's right, title and interest in and to the Units, free and clear of all claims, liens and encumbrances. The purchase price for the Units shall be Five Million Five Hundred Thousand Dollars (\$5,500,000) (the "*Purchase Price*"), representing sixty percent (60%) of the fair market value of the Company as of the Effective Date as determined by Altegra Health. On the Effective Date, the Purchase Price shall be deposited with Wells Fargo, National Association (the "*Escrow Agent*") by NEMG, to be held and disbursed in accordance with the terms of the Escrow Agreement, by and among NEMG, Yale New Haven Health Services Corporation d/b/a Yale New Haven Health System and PriMed, executed simultaneously herewith (the "*Escrow Agreement*").

1.2 **Closing; Closing Date.** The closing of the transactions contemplated by this Agreement (the "*Closing*") shall take place within ten (10) days of satisfaction or waiver of the

closing conditions set forth in Section 4 hereof (the "*Closing Date*"). At the Closing, the parties shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to disburse the Purchase Price to PriMed pursuant to the terms of the Escrow Agreement.

1.3 Pre-Closing Cooperation. The parties shall cooperate to obtain any certificate of need required to be obtained from the State of Connecticut Department of Public Health in order to effectuate the purchase of the Units contemplated herein (the "*Certificate of Need*"). PriMed shall provide NEMG with any information necessary or desirable in connection with the Certificate of Need approval process. The parties shall use their reasonable best efforts to file an application for Certificate of Need approval within sixty (60) days from the Effective Date.

1.4 Effect of Purchase. Immediately upon Closing, PriMed shall have no further rights or obligations as a member of the Company, including without limitation any rights to participate in management or to receive distributions from the Company with respect to their ownership of the Units prior to the Closing.

2. Representations and Warranties.

2.1 Representations and Warranties of PriMed. PriMed hereby represents and warrants to NEMG that each representation and warranty as to the Company made by PriMed in Article 3 of the Asset Purchase Agreement are correct and complete at and as of the date of this Agreement and the Closing.

2.2 Representations and Warranties of NEMG. NEMG hereby represents and warrants to PriMed that all representations and warranties made by NEMG in Article 4 of the Asset Purchase Agreement are correct and complete at and as of the date of this Agreement and the Closing.

3. Further Assurances. In the event that at any time after execution and delivery of this Agreement any further action is necessary or desirable to carry out the purposes of this Agreement in a manner consistent with this Agreement, each of the parties will take such further action (including the execution and delivery of such further instruments and documents) as the other party may reasonably request, all at the sole cost and expense of the requesting party.

4. Conditions to Obligation to Close.

4.1 Conditions to Obligation of NEMG. The obligation of NEMG to consummate the transaction to be performed by it in connection with the Closing is subject to satisfaction or waiver of the following conditions:

(a) PriMed's representations and warranties as to the Company in Article 3 of the Asset Purchase Agreement that are qualified by materiality or reference to "Material Adverse Effect" shall be true and correct in all respects, and those that are not so qualified shall be true and correct in all material respects, as of the Closing Date. On or before the Closing Date, PriMed and the Company shall have performed and complied in all material respects with all covenants and

agreements required to be performed and complied with by PriMed and the Company prior to the Closing under this Agreement.

(b) PriMed shall convey the Units to NEMG free and clear of all claims, liens and encumbrances, pursuant to an assignment agreement reasonably satisfactory to both parties;

(c) The parties shall have received a favorable Certificate of Need authorizing the purchase by NEMG (or, at its election, an affiliate of NEMG) of the Units (the "CON Approval"); and

(d) The parties shall have received approval from the State of Connecticut Department of Public Health for the change of ownership of the Company as required by Section 19a-493 of the Connecticut General Statutes.

4.2 Conditions to Obligation of PriMed. The obligation of PriMed to consummate the transaction to be performed by it in connection with the Closing is subject to the satisfaction or waiver that NEMG's representations and warranties in Article 4 of the Asset Purchase Agreement that are qualified by materiality or reference to "Material Adverse Effect" shall be true and correct in all respects, and those that are not so qualified shall be true and correct in all material respects, on the date hereof and as of the date of the Closing Date. On or before the Closing Date, NEMG shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by NEMG prior to the Closing under this Agreement.

5. Termination.

5.1 Termination. Notwithstanding anything herein to the contrary, by written notice given prior to or at the Closing, this Agreement may be terminated as follows:

(a) by mutual written consent of NEMG and PriMed; or

[REDACTED]

5.2 Effect of Termination. If this Agreement is terminated, the parties acknowledge and agree that NEMG is authorized to submit a written instruction to the Escrow Agent instructing the Escrow Agent to disburse the Purchase Price to NEMG. The rights, remedies, duties and obligations of the parties hereto arising under this Section 5.2 will survive the termination of this Agreement.

6. Miscellaneous.

6.1 Tax Periods Ending on or After the Closing Date. NEMG shall cause the Company to prepare and file or cause to be prepared and filed all tax returns for all periods ending on or after the Closing Date which are required to be filed after the Closing Date. PriMed, NEMG and the Company shall cooperate in connection with the filing of such tax returns and any audit, litigation or other proceedings with respect to such taxes. To the extent permitted by applicable law, PriMed shall include any income, gain, loss, deduction or other tax items for such periods on its tax returns in a manner consistent with applicable law and the Schedule K-1s furnished by the Company for such periods. Unless otherwise required by law, the parties agree that the Company shall elect to use the interim closing of the books method for allocating items of income, losses or other partnership items between PriMed and NEMG as if the Company's tax year ended on the Closing Date.

6.2 No Third-Party Beneficiaries. This Agreement is not intended and shall not be deemed to confer upon or give any person, except the parties hereto and their respective successors and permitted assigns, any remedy, claim, liability, reimbursement, cause of action or other right under or by reason of this Agreement, or result in such person being deemed a third party beneficiary of this Agreement.

6.3 Entire Agreement. This Agreement, including the exhibits and schedules referred to herein, comprise the entire agreement of the parties relating to the subject matter contained herein and may not be amended except by a written amendment signed by the parties hereto.

6.4 Binding Effect; Assignment. The rights of a party under this Agreement shall not be assignable by such party without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person other than the Parties any right, remedy or claim under or by reason of this Agreement.

6.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and it will not be necessary in making proof of this Agreement or the terms of this Agreement to produce or account for more than one of such counterparts. All counterparts shall constitute one and the same instrument. Each party may execute this Agreement via a facsimile (or transmission of a PDF file) of this Agreement. In addition, facsimile or PDF signatures of authorized signatories of any party shall be valid and binding and delivery of a facsimile or PDF signature by any party shall constitute due execution and delivery of this Agreement.

6.6 Headings. Titles and headings to articles, sections and subsections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

6.7 Notices. Any notice, request or other communication hereunder (each, a "Notice") shall be delivered to a party in accordance with Section 12.2 of the Asset Purchase Agreement.

6.8 Governing Law. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Connecticut without giving effect to any choice or conflict of law provision or rule (whether of the State of Connecticut or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Connecticut.

6.9 Waiver. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof, nor shall it be deemed or constitute a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

6.10 Severability. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, is deemed invalid or unenforceable, then such provision shall be modified to the minimum extent necessary to make its application valid and enforceable, and the validity and enforceability of all of the provisions of this Agreement, and all other applications of such provisions, shall not be affected.

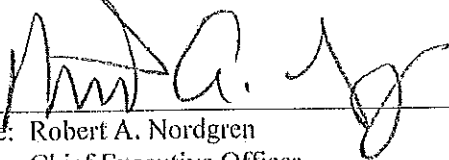
6.11 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring either party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state or local statute or law will be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. For the purposes of this Agreement, (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the terms "hereof," "herein," and "herewith" and words of similar import shall be construed to refer to this Agreement in its entirety and to all of the Schedules and not to any particular provision, unless otherwise stated, and (iii) the term "including" shall mean "including, without limitation."

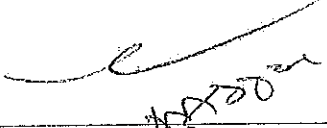
[Signature page follows.]

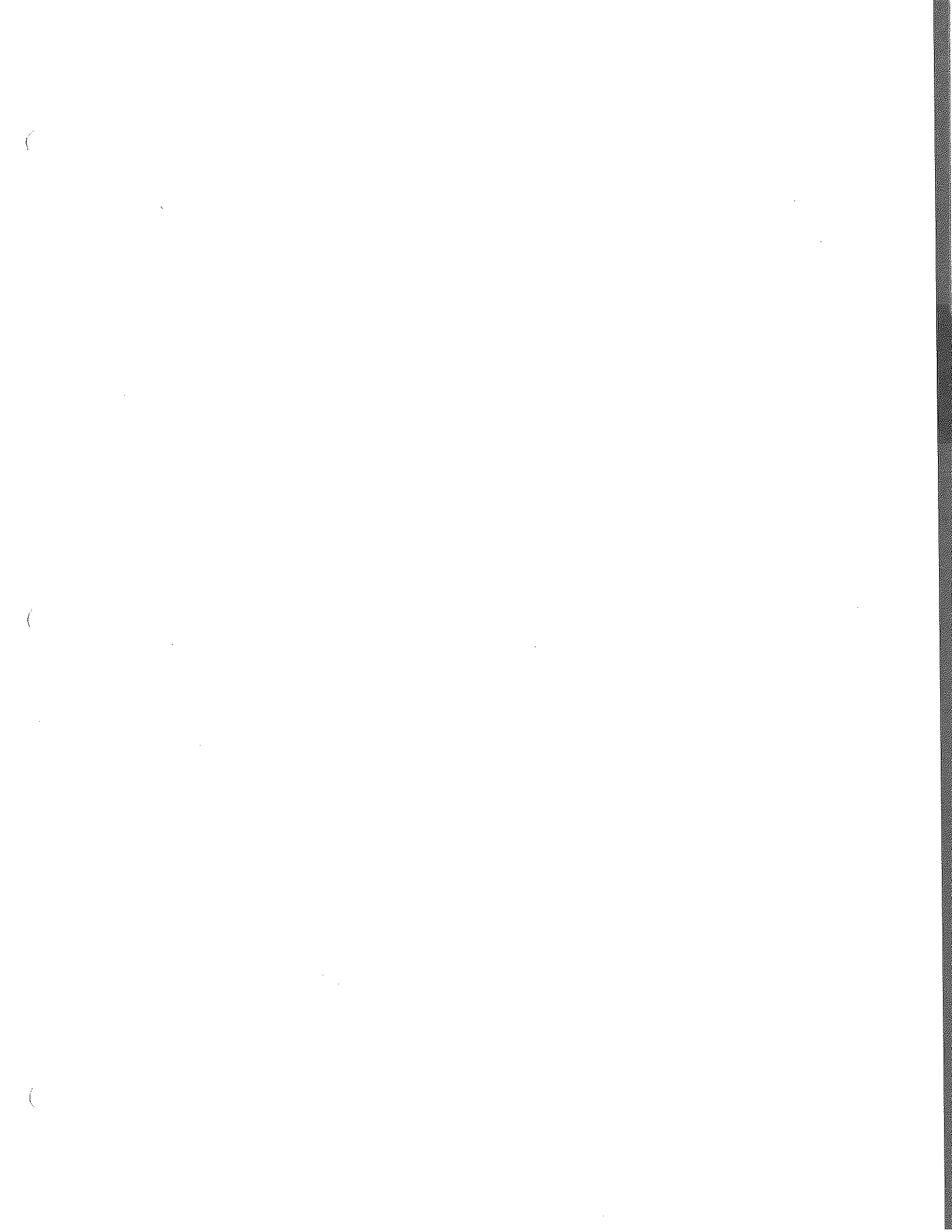
IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Purchase Agreement as of the Effective Date.

NORTHEAST MEDICAL GROUP, INC.

PRIMED, LLC

By: 
Name: Robert A. Nordgren
Title: Chief Executive Officer

By: 
Name: Amit Rastogi, M.D.
Title: President



ATTACHMENT V
CURRICULA VITAE

Robert A. Nordgren

Chief Executive Officer
 Northeast Medical Group
 Senior Vice President
 Yale New Haven Health System
 226 Mill Hill Ave.
 Bridgeport, CT 06610
 (203) 384-4391
 Robert.Nordgren@ynhh.org

Employment:

2010-present	Chief Executive officer, Northeast Medical Group/ Senior Vice President, Yale-New Haven Health System
2007-2010	Associate Medical Director, Dartmouth-Hitchcock Manchester
2000-2007	Executive Director, Child Health Services, Manchester, NH

Education*:

1992-1996	M.D. Columbia University, College of Physicians and Surgeons
1992-1996	M.P.H. Columbia University, School of Public Health
1987-1991	B.A. Williams College (Religion)

*Completed 90 percent of MBA program at the UMass Amherst Isenberg School of Management and the American College of Physician Executives. MBA degree expected summer 2012.

Postgraduate Training:

1999-2000	Chief Resident in Pediatrics Children's Hospital of Philadelphia, Philadelphia, PA
1996-1999	Intern and Resident in Pediatrics Children's Hospital of Philadelphia, Philadelphia, PA

Licensure/Certification:

2000-present	Board Certified -- Pediatrics (Certified until 2014)
2000-present	New Hampshire MD # 10962
1999-2000	Pennsylvania: PA MD-065276-L
2011-present	Connecticut MD: 049659

Boards and Committees:Yale New Haven Health System:

2010-present	System Executive Committee
2010-present	System Quality Committee
2010-present	Epic Steering Committee
2011-present	Accountable Care Solutions Committee

Dartmouth-Hitchcock (DH):

2007-2010	DH System Medical Home Leadership Steering Committee
2007-2008	DH System Population Health Strategic Planning Committee
2009	DH Clinic Presidential Search Committee
2007-2010	Co-Chair, DH Medical Home Measurement Committee
2010-2010	DH System Education Strategic Planning Committee
2009-2010	DH System EPIC Population Health Committee
2007-2010	Community Group Practices Leadership Team
2007-2010	DH Manchester Board of Governors
2007-2010	Chair, DH Manchester Medical Home Implementation Committee
2008-2010	Chair, DH Manchester Quality Improvement Committee

Community and Statewide:

2005-2007	Co-Chairman, New Hampshire Citizen's Health Initiative; Governor's Task Force for Health Care Reform
2004	Endowment for Health: Citizen's Roundtable on Health Costs and Coverage, The Pillars Project
2003-2006	Board of Directors, American Heart Association, NH Chapter
2002-2006	Board of Directors, Visiting Nurse Association for Manchester and Southern New Hampshire
2002-2007	New Hampshire Covering Kids and Families Coalition
2002-2006	NH Department of Health and Human Services: Newborn Screening Advisory Committee
2001-2007	Healthy Kids Corporation, Quality Committee
2000-2004	NH Department of Health and Human Services: Primary Care Access Committee
2000-2010	Healthy Manchester Leadership Council
2005-2010	Board of Directors, Heritage United Way
2006-2010	Manchester Sustainable Access Project, Executive Committee
2006-2010	Manchester Sustainable Access Project, Chair, Strategic Planning Committee

American Academy of Pediatrics:

1998-2000 Committee on Pediatric Workforce, Section Representative
 1996-1997 District Coordinator and Executive Committee Member, Resident
 Section

Professional Development:

2004-2005 Leadership New Hampshire
 August 2004 SEAK Institute: Business School for Physicians

Awards and Honors:

2007 *"New Hampshire Health Care Business of the Year"*. Awarded to
 Child Health Services by Business NH Magazine.
 2005 The Walter J. Dunfey Award *"For Excellence in Nonprofit
 Management"* Awarded to Child Health Services by the
 Corporate Fund of New Hampshire.
 2004 The New Hampshire Union Leader and Business and Industry
 Association, "40 Under Forty" recognizing emerging leaders in
 New Hampshire.
 1999 The Nancy Elizabeth Barnhart Award, to the Senior Resident *"In
 recognition of dedicated efforts to improve the health and well-
 being of children in the community."*
 1996 Excellence in Legislative Action- The American Medical Student
 Association
 1993 NIH/ Dean's Scholarship for Research, Columbia
 1989-1991 Dean's List, Williams College

Faculty Appointments:

2000-2011 Adjunct Faculty, Department of Pediatrics, Dartmouth
 Medical School
 1999-2000 Assistant Physician, Division of General Pediatrics,
 Department of Pediatrics, Children's Hospital of
 Philadelphia

Research:

1995-1996 Research Assistant, Columbia University, School of Public
 Health and School of Nursing, *Health of the Public
 Program*
 1993 Research Assistant, Division of Cardiology, Columbia
 University, College of Physicians and Surgeons
 1991-1992 Research Assistant, Department of Cognitive Neuroscience,

Dartmouth Medical School

Grants and Funding:

- 2000-2007 Primary author for several grants awarded to Child Health Services, totaling over \$4,000,000. Grants received from: The Endowment for Health, The Jesse B. Cox Foundation, The Norwin S. and Elizabeth N. Bean Foundation, The Cogswell Trust, The Agnes Lindsay Trust, The Hunt Foundation, The Garth Brooks Foundation, Ronald McDonald House Charities, among others
- 1999-2000 Dyson Initiative on Pediatric Training in the Community: Member of committee awarded \$2.5 million for the Children's Hospital of Philadelphia
- 1999 Rome CATCH Grant: first author on visiting professor grant awarded to the residency program at the Children's Hospital of Philadelphia

Teaching Experience:

- 1999-2000 Chief Resident at CHOP: responsible for teaching at daily Senior Rounds, weekly Extern Rounds, and Attending Rounds
- 1996 "Money, Markets and Medicine" Semester course taught to medical students at Columbia University

Bibliography and Presentations:

- Nordgren R, "The 105th Congress: Profiles and Predictions." Resident Report, Resident Section of the American Academy of Pediatrics, Spring 1997, Vol. 7, No. 1, p.3.
- Nordgren, R, "Medical Savings Accounts: Magic Pill or Poison?" Health Policy Forum, American Medical Student Association, Spring 1997, Vol. 2, Issue 1, pp. 3-4.
- Nordgren R, "Health Care and the 1996 Election." American Medical Student Association Regional Convention, Pittsburgh, PA. October 16, 1996.
- Nordgren R and Hantman J, "The Effect of Managed Care on Undergraduate Medical Education." The Journal of the American Medical Association (JAMA), April 3, 1996, Vol. 275, No. 13, pp.1053, 1058.
- Nordgren R, "Physicians' Political Response to Managed Care in New York State." Generalist Physicians in Training (GPIT) Poster Session, American Medical Student Association National Convention, March 14-17, 1996.

Nordgren R and Deng J (eds.), The U.S. Health Care System: A Primer. Legislative Action Committee, American Medical Student Association, February 1996.

Nordgren RA, "Political Success, Policy Failure: The Story of the 1992 and 1994 Elections." Task Force Quarterly, American Medical Student Association, Winter, 1996, pp. 14-16.

Nordgren RA, "The Major Health Care Bills: Finding Your Way Through the Woods." American Medical Student Association Task Force Quarterly, Spring, 1994, pp. 45-47.

Nordgren RA, "Interview with Dr. John Wennberg on Managed Care and Clinical Practice." American Medical Student Association Task Force Quarterly, Fall, 1993.

Nordgren RA, "Interview with Sherry Glied on the Clinton Health Care Plan." American Medical Student Association Task Force Quarterly, Fall, 1993.

RL Green, JJ Hustler, WC Loftus, MJ Tramo, CE Thomas, AW Silberfarb, RE Nordgren, RA Nordgren, MS Gazzaniga, "The Caudal Infrasyllvian Surface in Dyslexia: Novel Magnetic Resonance Imaging-based Findings." Neurology, Vol. 53, September, 1999, pp. 974-981.

Loftus WC, Green RL, Silberfarb A, Thomas CE, Nordgren RA, Nordgren RE, Gazzaniga MS, "Regional Cortical Surface Area in Subjects with Developmental Dyslexia." *Presented by Loftus, inaugural meeting of the Cognitive Neuroscience Society, San Francisco, March 1994.*

Loftus WC, Tramo MJ, Thomas CE, Green RL, Nordgren RA, and Gazzaniga MS, "Three Dimensional Quantitative Analysis of Hemispheric Asymmetry in the Human Superior Temporal Region." Cerebral Cortex, Vol. 3, No. 4, July/ August 1993 pp. 348-355.

Contributor:

American Academy of Pediatrics, Committee on Pediatric Workforce: "Financing Graduate Medical Education to Meet Pediatric Workforce Needs" Pediatrics, Vol. 107, No. 4, pp. 785-789.

American Academy of Pediatrics, Committee on Pediatric Workforce: "Enhancing the Racial and Ethnic Diversity of the Pediatric Workforce" Pediatrics, Vol. 105, No. 1, January 2000, pp. 129-131.

American Academy of Pediatrics, Committee on Pediatric Workforce: "Culturally Effective Pediatric Care: Education and Training Issues" Pediatrics, Vol. 103, No. 1, January 1999, pp. 167-170.

MICHAEL LOFTUS

HealthCare Finance Executive

Experienced Leader with track record of motivating teammates at all levels of the organization. Utilize strong analytical skills to solve problems, drive improvements and accomplish goals. Superior interpersonal skills capable of resolving multiple and complex problems under differing levels of pressure. Utilize a well honed sense of humor to enjoy work and projects even under difficult circumstances. Develop long lasting, fulfilling relationships with teammates and clients.

Current Work Experience

Yale-New Haven Health System, New Haven, CT 1995 to Present
Teaching Hospital System with over 2000 Beds and revenues over \$3B, including Yale-New Haven Hospital, Bridgeport Hospital, Greenwich Hospital, and North East Medical Group

Chief Financial Officer, Northeast Medical Group

Vice President, Finance-Physician Relations

2013 to Present

Work as a strategic partner to the Chief Executive Officer and to the System Senior leadership team. Responsible for directing and supporting the financial operations for a large multi-specialty physician organization. Works closely with the management team to drive the financial vision, direction, guidance and compliance to support successful operations. Provides administrative oversight for all financial reporting and billing initiatives at NEMG. Oversees all financial activities, coordinate the development of NEMG's budgets, forecasts and business plans. The CFO maintains appropriate internal controls throughout NEMG including general accounting, practices, physician compensation and administration

Director, Financial Operations, Yale-New Haven Children's Hospital

2012 to Present

Financial Partner to Senior Vice President. Responsible for all financial aspects of Yale-New Haven Children's Hospital. Directed strategic financial planning for various development and partnership options, including negotiation of potential divestiture. Developed and approved all related business plans. Successfully negotiated asset acquisition from Yale School of Medicine in a complex academic environment. Developed team of employees to support all client requests.

Director, Financial Operations, Smilow Cancer Hospital

2009 to Present

Essential Team member working daily with Physician in Chief, Vice President of Operations and Nursing Director, in managing Hospital operations. Responsible for all financial aspects of Smilow Cancer Hospital at Yale-New Haven Hospital. Directed financial transition into new hospital. Developed and approved all related business plans. Successfully negotiated asset acquisition of several group practices. Developed team of employees to support all client requests. Developed executive dashboard for volume, quality, and financial reporting.

System Director, Financial Planning and Analysis

2005 to 2012

Direct budget and financial planning functions for the three system hospitals, and the Health System Corporation. Direct annual and multi-year operational and capital budget cycles. Support revenue cycle management functions at Yale-New Haven Hospital. Train and develop staff for improved internal consulting capacity. Support Certificate of Need filings throughout the health system. Continue to improve accuracy and accessibility of decision support system. Support the development and review of business plans to best support operational and capital investment decisions. Direct internal and external consulting projects to improve operational performance.

Continued Work Experience, Yale New Haven Health System**Director of Reimbursement**

2002 to 2005

Directed Reimbursement departments for Yale-New Haven Hospital, and Bridgeport Hospital. Directed government reimbursement, net revenue measurement, and cost reporting support, audits, appeals and related negotiations for \$1B in annual net revenue. Support revenue cycle management functions at Yale-New Haven. Supported the recognition and receipt of \$90M in revenue enhancements over five years. Worked with senior management, physicians, regulators, attorneys and Hospital Operational Staff.

Manager, Revenue Systems & Network Initiatives

2000 to 2002

Managed the completion of third party cost reports, third party cost report audits, appeals and all required federal and state revenue filings. Responsible for monthly calculation of net revenue, revenue budgets, and analyzing the impact of legislative changes. Worked in concert with contracting department to optimize net revenue during contract negotiations. Converted a dysfunctional department into a high functioning team.

Various Finance Positions

1995 to 2000

The Hospital of Saint Raphael, New Haven, CT

Teaching hospital with 700 Beds and over \$350m in revenue.

Reimbursement/Financial Analyst

1993 to 1995

Volunteer Work**CHAIN Fund Treasurer**

2009 to 2014

New Haven Based Charity Organization focused on providing financial assistance to families of cancer patients.

Closer to Free Ride

2012 to Present

Ride Committee Member and Participant

Habitat for Humanity

2009 to Present

Volunteer with Financial Planning team for days of building at New Haven sites

Education

MBA, Concentration of studies in Finance

University of New Haven, CT

BS/BA, Major Health Systems Management/Minor MIS

University of Connecticut

Green Belt, Six Sigma Training

Yale New Haven Health System

Teaching Experience

Yale School of Nursing, Associate Clinical Professor

2003 to Present

University of Connecticut, Health Systems Management MBA Program, Guest Lecturer

Yale School of Epidemiology and Public Health, Master's Program, Guest Lecturer

Quinnipiac College, Undergraduate School of Business, Guest Lecturer

Publications

Bozzo, J. & Loftus, M. (1999). Linking mothers and babies for casemix outcomes analysis.

Proceedings of the Eleventh Casemix Conference in Australia: The Unfinished Agenda, Darwin, Australia.

Curriculum Vitae

ARNOLD DoROSARIO, M.D.

PRIVATE PRACTICE: 4699 Main Street, Bridgeport, CT 06606
1979 - Present

EDUCATION:

- * St. Teresa's Boys School, Nairobi, Kenya, East Africa
(Examining Board: University of Cambridge, England)
Graduated High School 1962
- * Strathmore College, Nairobi, Kenya, East Africa
(Examining Board: University of London, England)
Graduated 1966 (Premed/Science)
- * University of Navarra, Pamplona, Spain
Faculty of Medicine
Full Scholarship Student
Graduated **Cum Laude** 1969-1975

POST GRADUATE TRAINING:

- * **Residency in Internal Medicine**
St. Vincent's Medical Center, Bridgeport, Connecticut
(Yale School of Medicine Affiliated Program)
1975-1978
- * **Chief Resident**
St. Vincent's Medical Center, Bridgeport, Connecticut
1978

CERTIFICATIONS:

- * Certified in Specialty of Internal Medicine
American Board of Internal Medicine - 1978
- * Certified in Geriatric Medicine
American Board of Internal Medicine - 1988

Page 1 of 3

Curriculum Vitae

Arnold DoRosario, M.D.

Page 2 of 3

HOSPITAL AFFILIATIONS:

- * Attending Physician/Teaching Facility
Department of Medicine
St. Vincent's Medical Center, Bridgeport, Connecticut
(1984 - Present)
- * Attending Physician/Teaching Facility
Division of Aging, Department of Medicine
St. Vincent's Medical Center, Bridgeport, Connecticut
(1984 - Present)

APPOINTMENTS:

- Associate Professor, School of Medicine, Quinnipiac University**
2012- present
- * **Associate Clinical Professor**
Columbia University
1998 - 2008
- * **Medical Director,**
PriMed, LLC
2002- Present
- Associate Clinical Professor**
New York Medical College
1994 - 1997
- * **Clinical Instructor**
Yale School of Medicine
1982 - 1986
- * **Medical Director**
Maefair Health Care Center, Trumbull, Connecticut
1994 - 2011
- * **Assistant Medical Director**
Northbridge Healthcare Center Bridgeport, Connecticut
1994 - 2008
- * **Medical Director**
Barnett Nursing Home, Bridgeport, Connecticut
1986 - 1994

AWARDS:

- * **Resident Teaching Award**
St. Vincent's Medical Center, Bridgeport, Connecticut - 1996 & 1999
- * **"Teaching Attending of the Year"** (Recognition awarded by resident physicians.)
St. Vincent's Medical Center, **Bridgeport**, Connecticut - 1991
- * **"Teaching Attending of the Year 2004"** :St. Vincent's Medical Center, Bridgeport, Ct
- * "New York" Magazine Best Doctors: 1999, 2000, 2001, 2005, 2006, 2007, 2008, 2009
"Connecticut Magazine" Best Doctors: 2005, 2006, 2009
"U.S. News & World Report: Best Doctors 2012

Curriculum Vitae: rev 2012

Arnold DoRosario, M.D.

Page 2/2

COMMITTEE MEMBERSHIPS:

- **Member, Executive Committee: 1996 – 2000**
- St Vincent's Medical Center, Bridgeport, Ct
- * **Peer Review Committee**
- Fairfield County Medical Association; 1986 - 1996
- * **Member, Committee On Geriatrics**
- Connecticut State Medical Society; 1992 - 2006
- * **Fairfield County Medical Association-AARP**
- Addressing issues pertaining to the elderly; 1988 - 2006
- * **Chairman, Medicare Committee**
- Connecticut State Medical Society
- 1999 - current
- * **Member: Performance Improvement Committee**
- St. Vincent's Medical Center, Bridgeport, Ct
- 2007 – current
- Chairman: Quality Council**
- St. Vincent's Medical Center, Bridgeport, Ct
- 2008 – current
- **McKesson Technology Solutions Advisory Board**
- Member : 2013
- **Anthem Patient centered Primary care Program**
- Program Advisory Council : Member 2013**

MEMBERSHIPS:

American College of Physicians
 American Geriatric Society
 American Society of Internal Medicine
 Greater Bridgeport Medical Society
 Fairfield County Medical Association
 American College of Physician Executives

1992 - 1997 Board of Directors, Physicians Health Services, CT.(HealthNet)

1996 –1999: Chairman, Health Care System of Connecticut.
 (A 45 physician Primary Care Group)

1999 - present Vice-President, PriMed, L.L.C.
Medical Director, PriMed LLC

1998 - 2000 Vice-President: Medical Staff
St. Vincent's Medical Center, Bridgeport, CT

2000 - 2002: **President: Medical Staff**
St. Vincent's Medical Center, Bridgeport, Ct

1998 - 2004 Board of Trustees, Fairfield County Medical Association

Amit Rastogi, MD

Curriculum Vitae

Private Practice:

PriMed, LLC
 4699 Main Street, Suite 105
 Bridgeport, CT 06606
 Phone 203-374-6162/Fax 203-374-1549
 Email: Amit_Rastogi@PriMedMD.com 1998-present

Administrative Office:

PriMed, LLC
 3 Enterprise Drive, Suite 404
 Shelton, CT 06484
 Phone 203-944-1940 Ext 7230/Fax 203-402-4195

Research Consultant:

Clinical Research Consultants, Inc.
 Trumbull, CT 06611 1998-2007

Executive Appointments:

PriMed, LLC

- President and Chief Executive Officer 03/2009-present
- Board of Directors (Chairman) 03/2009-present
- Executive Committee (Secretary/Treasurer) 03/2007-04/2009
- PriMed Finance Committee (Chairperson) 03/2007-04/2009
- PriMed Osteoporosis Center (Medical Director) 01/2006-04/2009
- PriMed Management Committee 01/2002-present

St. Vincent's Medical Center

- Chief of Medical Staff 07/2013-present
- Hospital Board of Directors 07/2013-present
- Chairman, Medical Executive Committee 07/2013-present
- Medical Staff, Vice President 07/2010-06/2013
- Medical Executive Committee 07/2007-present
- Chairman, Peer Review Committee 07/2010-present
- Performance Improvement Committee 07/2010-present
- By-laws Committee 07/2010-present
- EMR Committee 07/2009-present
- Information Technology Physicians Advisory Group 07/2009-present
- Medical Staff, Secretary/Treasurer 07/2008-05/2010
- Graduate Medical Education Committee 1998-2002

Fairfield County Medical Association

- Board of Directors 05/2013-present

NorthBridge Health Care

- Chief Medical Officer 07/2006-11/30/2007

Academic Appointments:

- UCONN School of Medicine, Farmington, Connecticut
Clinical Instructor of Medicine 09/2006- 2011
- College of Physicians and Surgeons; Columbia University, Presbyterian Hospital, New York, NY
Clinical Instructor of Medicine 2000-08/2006

Board Certifications:

American Board of Internal Medicine
Certified Clinical Densitometrist (CCD) 11/09/2003-2008

Hospital Affiliations:

St. Vincent's Medical Center, 2600 Main Street, Bridgeport, CT

Licensure:

CT Medical License: CT #036862

Post Graduate Training

St. Vincent's Medical Center-Yale School of Medicine
Bridgeport, CT
Internal Medicine, 1996-1998

Brigham and Women's Hospital-Harvard Medical School
Boston, MA
Anesthesiology, 1995-1996

St. Vincent's Medical Center-Yale School of Medicine
Bridgeport, CT
Internal Medicine, 1994-1995

Education:

- UMDNJ-New Jersey Medical School
Newark, NJ
Medical Degree, 1990-1994
- Farleigh Dickinson University
Teaneck, NJ
BS (Biology), Summa Cum Laude, 1986-1989

Professional Memberships:

- Fairfield County Medical Association 1998-present
- American Medical Association 1991-present
- American College of Physicians 1996-present
- American Society of Anesthesiology 1995-1996
- Massachusetts Medical Society 1995-1996
- American Medical Student Association 1990-1994

Speaking Engagements:

<p>"The Role of Medical Groups in the era of Healthcare Reform" National Healthcare Technology Conference Las Vegas, Nevada</p>	May 15, 2013
<p>"The Roadmap for Successfully Developing a Physician Led ACO: The Journey from Volume to Value based healthcare" American College of Physician Executives Annual Meeting New York, NY</p>	April 27, 2013
<p>"What is an Accountable Care Organization" Northeast Sleep Society Annual Meeting Trumbull, CT</p>	April 5, 2013
<p>"ACO's: Bringing Accountability to the Bedside" Connecticut State Medical Society New Haven, CT</p>	October 23, 2012
<p>"The Roadmap for Successfully Developing a Physician-led Accountable Care Organization: The Journey From Volume to Value-based Healthcare" 2012 National HealthCare Leadership Conference St. Thomas, Virgin Islands</p>	October 11, 2012
<p>"The Impact of the ACO's on Disease Management" Vitaphone International Shelton, CT</p>	May 7, 2012
<p>"Creating a Culture of Success Within a Physician Led ACO" National MGMA Annual Conference Las Vegas Convention Center Las Vegas, Nevada</p>	October 23, 2011
<p>"Physician Led Organizations at the Forefront of Healthcare Reform" National Healthcare Leaders Conference Palm Springs, CA</p>	September 21, 2011
<p>"The Advantages of a Physician Owned, Physician Governed Multispecialty Group" Norwalk, CT</p>	July 20, 2011
<p>"Why ACOs Should Be Physician Led" Nationally Syndicated Webinar</p>	June 01, 2011
<p>"Metric based Medical Peer Review" St. Vincent's Medical Center Bridgeport, CT</p>	June 2011

"Accountable Care Organizations"
Fairfield County Medical Association Annual Meeting
Stamford, CT April 28, 2011

"Medical Staff Leadership: Shaping the Future of Healthcare"
St. Vincent's Medical Center
Bridgeport, CT April 2011

"Healthcare Reform and Its Impact on Medical Practice"
Hudson County Medical Association
Jersey City, NJ March 16, 2011

"Medical Peer Review: Bringing Accountability to the Process"
St. Vincent's Medical Center
Bridgeport, CT November 2010

"Medical Staff Leadership: A Real Life Perspective"
St. Vincent's Medical Center Annual Retreat
Mystic, CT January 2009

"Healthcare Reform: A Primer"
PriMed Annual Conference
Trumbull, CT October 2009

Research Experience:

- Department of Internal Medicine, St. Vincent's Medical Center, Bridgeport, CT
Once Daily vs. Multiple Daily Aminoglycoside Dosing
Principal Investigator: Amit Rastogi, MD (1997-1998)
- Department of Internal Medicine, New Jersey Medical School
Amlodipine Study of the Angina Population
Principal Investigator: Bunyad Haider, MD (1993)
- Department of Internal Medicine, New Jersey Medical School
Trials of Hypertension Prevention (Phase II)
Principal Investigator: Norman Lasser, MD, Ph.D. (1991)

Investigator for the following protocols:

- New Compound to Inhibit Cartilage Degradation in Patients with Osteoarthritis of the Knee (II) (1998-1999)
- OTC Switch Study to Investigate the Consumer Usage Patterns of a New Heartburn Medication (1999)
- Topical Anti-Inflammatory Treatment for Osteoarthritis of the Knee (1999)
- New Treatment for Heartburn Symptoms Following a Provocative Meal (1999)
- Searle-Comparison of COX-2 Inhibitors in Relieving Pain and Morning Stiffness of Osteoarthritis of the knee (1999)

- Medicated Patch for Treatment of Pain Associated with Osteoarthritis of the Knee or Hip (1999)
- Angiotensin II Receptor Antagonist for Treatment of Essential Hypertension as Determined by Ambulatory Monitoring of Blood Pressure (1999-2000)
- Solvent/Detergent Plasma Pharmacovigilance Study Healthy Volunteers (1999-2000)
- Anti-TNF in the Treatment of Patients with Rheumatoid Arthritis (1999-2000)
- Oral Interferon in the Treatment of Sjogren's Syndrome (1999-2000)
- New Compound for Treatment of Chronic Low Back Pain (1999-2000)
- New Compound for the Treatment of Subjects with Viral Respiratory Infections (1999-2000)
- New Compound for the Treatment of Rheumatoid Arthritis in Patients Receiving Methotrexate (1999-2000)
- Glaxo Wellcome-Alosetron for Male Subjects with Irritable Bowel Syndrome (1999-2000)
- Glaxo Wellcome-Alosetron for Female Subjects with Alternating Diarrhea/Constipation Irritable Bowel Syndrome (1999-2000)
- New Treatment for Hyperlipidemia in Post-Menopausal Women with Osteopenia (1999-2001)
- Long-Term Safety Study of New Treatment for Patients with Clinical Depression (1999-2000)
- Comparison of COX-2 Inhibitors in Treating Patients with Osteoarthritis and Hypertension (1999-2000)
- New Compound in Combination with Metformin for Treatment of Subjects with Diabetes Mellitus Type II) (1999-2001)
- Comparison of COX-2 Inhibitors in Treating Patients with Osteoarthritis of the Knee or Hip (2000)
- New Compound for the Treatment of Pain Associated with Diabetic Peripheral Polyneuropathy (2000-2001)
- New Compound for Treatment of Patients with Chronic Lower Back Pain (2000)
- Comparison Study to Investigate the Efficacy and Safety of a New Compound in the Treatment of Males with Erectile Dysfunction (2000-2001)
- An Open-Label Study of the Long-Term Safety of a New Compound for the Treatment of Rheumatoid Arthritis in Patients Receiving Methotrexate (2000-2001)
- Angiotensin II Receptor Antagonist for Treatment of Patients with Mild-to-Moderate Hypertension as Determined by Ambulatory Monitoring of Blood Pressure (2000-2001)
- A Single Dose Study of a New Compound for the Treatment of Subjects with Acute Migraine Attacks (2000)
- Evaluation of Solvent/Detergent-Treated Plasma in Normal Healthy Volunteers (2000-2001)
- Medicated Patch for the Treatment of Osteoarthritis of the Knee (2000)
- Human Anti-TNF Monoclonal Antibody in the Treatment of Patients with Active Rheumatoid Arthritis (2000-2001)
- New Compound for the Treatment of Viral Respiratory Infections in Adults (2000)
- A Comparison Study of a New Compound in the Acute Treatment of Major Depression (2000-2001)
- New Compound Versus Enalapril for the Treatment of Hypertensive Patients (2000-2001)
- A Study of the Safety and Efficacy of a New Compound for the Prevention of Bone Loss and for Lipid Lowering in Postmenopausal Women at risk for Osteoporosis (2000)
- A DNA Sampling Study to Determine the Efficacy of a New Test for the Evaluation of Patients with Breast Cancer (2000)
- A Study to Evaluate the Efficacy and Safety of Ranging Doses of a New Compound for the Treatment of Mild to Moderate Hypertension (2000-2001)

- Comparison of COX-2 Inhibitors in Treating Patients with Osteoarthritis and Hypertension (SUCCESS VII) (2000-2001)
- New Compound for Relief of Pain Associated with Diabetic Peripheral Neuropathy (2000-2001)
- Clinical Protocol to Evaluate the Safety and Effectiveness of a Device in the Treatment of Patients with Acute Epicondylitis (2000-2001)
- Clinical Protocol to Confirm the Safety and Efficacy of a Topical Lotion for the Treatment of the Osteoarthritic Knee (2000-2001)
- Long-Term Safety Study of a Human anti-TNF Antibody Administered as a Subcutaneous Injection in Patients with Rheumatoid Arthritis (2000)
- A Study to Evaluate the Effectiveness of a New Test as an Aid in the Early Detection of Prostate Cancer or in Monitoring Men with Prostate Cancer (2001-2001)
- Study of a New Topical Medication for the Treatment of Chronic Low Back Pain (2001)
- The Study of a Combination Therapy for the Treatment of Hyperlipidemia in Type 2 Diabetic Men and Women (FACTOR) (2001)
- Study of a New Compound in Combination with Metformin in Previously Treated OHA Monotherapy Obese Subjects with Type 2 Diabetes (2001)
- A Study of a New Narcotic Patch in the Management of Patients with Chronic Non-Malignant Pain Syndromes Responsive to Opioid Combination Therapy (2001)
- A Forced Titration Study of a New Angiotensin II Receptor Antagonist in Patients with Essential Hypertension (2001)
- Study of a New Compound as Monotherapy in Patients with Primary Hypercholesterolemia (2001)
- Merck Comparison of COX-2 Inhibitors in Treating Patients with Osteoarthritis of the Knee (2001)
- A Pilot Study to Evaluate the Efficacy and Safety of an Immediate-Release Opioid in Patients with Moderate to Severe Non-Malignant Pain (2001)
- An Open-Label Study of Drug Response in Relationship to Gene Variants in Adults with Primary Hypercholesterolemia (the STRENGTH Study) (2001)
- A Study of the Analgesic Efficacy and Safety of a New Compound for the Treatment of the Pain of Diabetic Neuropathy (2001)
- An Open-Label Comparison Study of a New Compound Versus Atorvastatin, Cerivastatin, Pravastatin and Simvastatin in Subjects with Hypercholesterolemia (2001)
- A Study to Evaluate the Safety and Efficacy of a New Compound in Subjects with Acute Migraine Attacks (2001)
- A Comparison Study of a New Compound in the Treatment of Chronic Pain in Patients with Diabetic Neuropathy (2001)
- A Dose Finding Study to Evaluate the Efficacy and Safety of a New Compound for the Treatment of Mild-to-Moderate Essential Hypertension (2001)
- A Study Comparing the Effects of Study Drug to Amlodipine and Benazepril on Systolic Blood Pressure and Pulse Pressure in Patients with Systolic Hypertension (2001)
- An Open-Label Study of Drug Response in Relationship to Gene Variants in Adults with Primary Hypercholesterolemia (The STRENGTH II Study) (2001)
- Clinical Protocol for the Study of the Analgesic Effect of a New Compound in Patients with Chronic Low Back pain (2001)
- A Study to Evaluate the Effectiveness of a Muscle Re-education Biofeedback Device for Home Use in Patients with Osteoarthritis of the Knee (2001)
- A Crossover Study Comparing Study Drug to Acetaminophen and Placebo in Patients with Osteoarthritis of the Hip or Knee (2001-2002)

- A Comparison Study of Two Medications for the Treatment of Osteoporosis in Postmenopausal Women (2001)
- Study of a New Topical Gel for the Treatment of Anogenital Herpes to Prevent Recurrences (2001)
- A Study Investigating the Clinical Effects of a New Compound in Patients with Perennial Allergic Rhinitis (2001-2002)
- Twelve-Week Study of the Analgesic Effect of a New Compound in Patients with Low Back Pain (2002)
- Clinical Protocol for the Study of a New Compound in the Treatment of Patients with Osteoarthritis Pain of the Hip or Knee (2002)
- Comparison Study of a New Compound to Treat Erectile Dysfunction in Males with a Diagnosis of Diabetes Mellitus and/or Hypertension and/or Hyperlipidemias (2002)
- Clinical Protocol for the Assessment of the Bone Resorption Activity of a Compound in Women with Osteopenia (2002)
- Clinical Study of the Weight Reducing Effect and Safety of a New Compound in Obese Patients with and without Comorbidities (2002)
- A Fifteen-Week Study of a New Compound for Efficacy and Quality of Life in Patients with Painful Diabetic Neuropathy (2002)
- Twelve-Week Study of the Analgesic Efficacy of a New Compound Compared to Placebo in Patients with Chronic Low Back Pain (2002)
- Clinical Study to Determine the Safety, Efficacy, Pharmacokinetics and Pharmacodynamics of a New Compound in Subjects with Moderate to Severe Rheumatoid Arthritis on a Stable Dose of Methotrexate (2002)
- Clinical Protocol to Assess the Efficacy and Safety of Middle of the Night Administration of a New Compound in Patients with Primary Insomnia (2002)
- Clinical Study to Evaluate the Tolerability and Efficacy of a Combination Therapy Compared to a Single Therapy for Treatment in Patients with Combined Hyperlipidemia (SAFARI) (2002)
- A Protocol for Blood Sample Collection from Healthy Subjects To Aid in the Study of In Vitro Diagnostic Devices (2002)
- A Second Crossover Study Comparing Study Drug to Acetaminophen and Placebo in Patients with Osteoarthritis of the Hip or Knee (2002)

CURRICULUM VITAE

BRYAN J. BURNS, M.D.

50 Forest Street #922
Stamford, CT 06901
(203) 209-2773

888 White Plains Rd
Trumbull, CT 06611
(203) 459-4451

PERSONAL HISTORY:

Born October 4, 1971
Married, one child

EDUCATION:

1997	M.D.	Albert Einstein College of Medicine of Yeshiva University Bronx, NY
1993	B.S.	Cornell University Ithaca, NY

PROFESSIONAL TRAINING:

2000 – 2003	Fellowship in Gastroenterology/ Digestive Diseases Montefiore Medical Center/ Albert Einstein College of Medicine Bronx, NY
1997 – 2000	Residency in Internal Medicine The New York Presbyterian Hospital, Cornell Medical Center New York, NY

WORK EXPERIENCE:

2003 – present	G.I. Health Specialists Gastroenterology 888 White Plains Rd Trumbull, CT 06611
----------------	------------------------------------------------------------------------------------------

SPECIAL RESEARCH:

Gastroesophageal Reflux Disease in patients with Sleep-Related Breathing Disorders

Probiotics (Lactobacillus GG) in patients receiving broad spectrum antibiotics as prophylaxis agent C. Difficile Infection (TUMMY II- Trial Using Medicinal Microbiotic Yogurt II)

Probiotics in Inflammatory Bowel Disease

PUBLICATIONS:

Burns B., Brandt LJ: Vascular Abnormalities of the GI Tract, in Feldman M (ed): *Encyclopedia of Gastroenterology*, 1st ed. Academic Press (in publication)

Burns B., Brandt LJ: Vascular Emergencies, in Slivka A, McGrath KM (eds): *Gastroenterology Clinics of North America - Gastroenterologic Emergencies*. Philadelphia, Elsevier Science (in publication)

Burns B., Brandt LJ: Drug-Induced Ischemic Colitis. *The American Journal of Gastroenterology* (in publication)

Burns B., Frishman WH: Calcium Antagonists in Elderly Patients with Systemic Hypertension, in Epstein M (ed): *Calcium Antagonists in Clinical Medicine*, 2nd ed. Philadelphia, Hanley & Belfus, 1998 pp 307- 320

Frishman WH, Klein MD, Blaufarb I, Borge R, Burns B, Shatkin J, Del Valle M, Goldstein S, Greenblatt JP: Antiplatelet and other Antithrombotic Drugs, in Frishman WH, Sonnenblick EH (eds): *Cardiovascular Pharmacotherapeutics*. New York, McGraw-Hill, 1997, pp 323-379

Frishman WH, Burns B, Atac B, Alturk N, Altajar B, Lerrick K: Novel anti-platelet therapies for treatment of patients with ischemic heart disease: Inhibitors of the platelet glycoprotein IIb/IIIa integrin receptor. *American Heart Journal*. 130: 877-892, 1995 Oct

LICENSURE:

June 2003 – present

Connecticut State Medical License

CURRICULUM VITAE
Wang C. Lam, M.D.

21 Wilson Road
 Easton, CT 06612
 (203) 268-2329

888 White Plains Rd
 Trumbull, CT 06611
 (203) 459-4451

PERSONAL HISTORY:

Born October 29, 1971
 Married, three children

EDUCATION:

1996	M.D.	SUNY, Downstate Medical Center Brooklyn, NY
1992	B.E.	CUNY, City College- Chemical Engineering Magna Cum Laude New York, NY

PROFESSIONAL TRAINING:

1999 -- 2002	Fellowship in Gastroenterology Montefiore Medical Center Bronx, NY ERCP &EUS trained
1996 -- 1999	Residency in Internal Medicine Montefiore Medical Center Bronx, NY

WORK EXPERIENCE:

2002 -- Present	G.I. Health Specialists Gastroenterology 888 White Plains Road Trumbull, CT 06611
2003 -- Present	NY Downtown Hospital OPD 170 William Street New York, NY 10038
2005 -- Present	EMR subcommittee member PriMed LLC

BOARD CERTIFICATION:

1999 American Board of Internal Medicine- Internal Medicine
 2002 American Board of Internal Medicine- Gastroenterology

LICENSURE:

June 2002 – present	Connecticut State Medical License
July 1999 – Present	New York State Medical License

PUBLICATIONS & SPECIAL RESEARCH:

W. Lam, J. Talapeneni, J. Rhinus. "Does Rebetrone therapy for patients with biopsy proven stage IV hepatitis C worsen pre-existing thrombocytopenia." 2002

W. Lam, I. Gutwein, R. Stable. "Case report: A visible vessel in a Zenker's diverticulum as the cause of upper gastrointestinal hemorrhage." Abstract published and post presented in ACG National Fellows' Forum. Boulders, AZ, 6/2001

Lam, W., Gupta, S., Brandt, L., "Why do patients miss endoscopy appointments." Published in abstract form. The American J. Gastroenterologist, 95 (9) 2000. Pp 2663.

Wang C Lam, "Hidradenitis Suppurativa Mimicking As Penanal Crohn's Disease". Published in abstract form. Practice Management Conference for Gastroenterology Fellows, October 27, 2000.

Lam, W., Brandt, L., "Gabapentin for the treatment of refractory irritable bowel syndrome: A dose escalating randomized double blind parallel placebo-control trial". IRB# 1200010325.

Tokayer, A., Lam, W., "Association and significance of gastroesophageal reflux and dysmotility in radiation esophagitis" IRB approved

AWARDS:

2007 Dr. Melville G. Magida Award recipient

CURRICULUM VITAE**ALAN E. LANDAU, M.D.**

151 Random Road
Fairfield, CT 06825
(203) 374-8099

888 White Plains Rd
Trumbull, CT 06611
(203) 459-4451

PERSONAL HISTORY:

Born September 19, 1959
Married, two children

EDUCATION:

1981 – 1985	M.D.	Boston University School of Medicine Boston, MA
1977 – 1981	B.A.	Brandeis University Waltham, MA Cum Laude, Major in Chemistry

PROFESSIONAL TRAINING:

1988 – 1990	Fellowship in Gastroenterology, Hepatology and Nutrition Boston V.A. Medical Center (Boston University School of Medicine Affiliated) Boston, MA Chief Fellow 1989 – 1990
1985 – 1988	Internship and Residency in Internal Medicine St. Elizabeth's Hospital of Boston (Tufts University School of Medicine Affiliated) Boston, MA

WORK EXPERIENCE:

2001 – present	G.I. Health Specialists Trumbull, CT
1998 – 2000	Primed Stratford, CT

1990 – 1998	Partner in a Private Group Gastroenterology and Internal Medicine Associates, P.C. Norwalk Hospital Norwalk, CT
1988 – 1990	Emergency Room Physician Clinton Hospital Clinton, MA

RESEARCH:

1989 – 1990	Participated in a double blind randomized trial of Cisapride for gastro-esophageal reflux
Summer 1982	National Institute of Mental Health Fellowship at the Boston University Bio-behavioral Clinic
Summers 1978 –1981	Research Technician, Yale University School of Medicine Division of Cardiology

CERTIFICATIONS:

1991	Board Certification in Gastroenterology
1989	Board Certification in Internal Medicine
	License State of Connecticut
	Diplomat of the National Board of Medical Examiners
2003	ACLS Certification

PROCEDURAL SKILLS:

Trained in liver biopsy, manometry, diagnostic and therapeutic endoscopy, colonoscopy with polypectomy and therapeutic ERCP.

Curriculum Vitae

Gordon S. Lutzman, M.D.

56 High Point Road
Westport, CT 06880
(203) 395-8021

888 White Plains, #110
Trumbull, CT 06611
(203) 459-4451

Personal Data:

Date of Birth: February 2, 1972
Birthplace: New York, NY
Marital Status: Married
Aimee Altschul, M.D.
Allergy and Immunology, Adult and Pediatrics
Children: Jordana & Laila

Education and Training:

Fellowship:

Mount Sinai Medical Center
Gastroenterology
Fellowship Director: Steven Itzkowitz, M.D.
Chairman of Gastroenterology: Lloyd Mayer, M.D.
July 2002-June 2005

Residency:

Mount Sinai Medical Center
Internal Medicine
Residency Director: Lawrence Smith, M.D.
Chairman of Medicine: Barry Coller, M.D.
July 1999-June 2001

Internship:

Mount Sinai Medical Center
Internal Medicine
Mount Sinai Hospital, New York, NY
July 1998-June 1999

Medical School:

Tel Aviv University, Tel Aviv, Israel
Sackler School of Medicine
1994-1998

Undergraduate:

Binghamton University, Binghamton, New York
Bachelor of Science, Biology
1991-1994

Work Experience:

**G.I. Health Specialists
Gastroenterology
888 White Plains Road, #110
Trumbull, CT 06611
July 2005- present**

**Mount Sinai Medical Center
Hospitalist, Internal Medicine
Clinical instructor
July 2001-June 2002**

**Mount Sinai Medical Center
Clinical Associate
Internal Medicine
July 2002-Present**

Professional Membership:

**American Medical Associates, member: 1998-2001
Alpha Omega Alpha Medical Honor Society: 2000-present
American Gastroenterological Association, trainee member: 2002-present
American Society of Gastrointestinal Endoscopy, trainee member:
2002-present
New York Society of Gastrointestinal Endoscopy, trainee member:
2002-present
American College of Gastroenterology, trainee member: 2002-present**

Board Certification:

**Internal Medicine, Board Certified, 2001
Gastroenterology, Board Eligible, 2005
Advanced Cardiac Life Support 4/2003-4/2005**

Licensure:

**New York State, 1999-present
Connecticut 2004-present**

Awards and Teaching :

Alpha Omega Alpha, house staff appointment, 2000

Nominated by Mount Sinai medical students for Housestaff Officer of the Year Award, 2001

Medical school selection committee, Tel Aviv University, 2001-2002

Internal medicine residency selection committee, Mount Sinai Medical Center, 2003-2005

Preceptor:

M.D./PhD students in transition to clinical training

Grand Rounds Presentations:

Internal Medicine:

Pseudoxanthoma Elasticum, 2001

Gastroenterology:

Gastric Varices, 2002

Hereditary Factors and Genetic Basis of Pancreatic Cancer, 2003

Gallstone Pancreatitis, 2003

IBD, PSC and Cancer, 2003

Food Allergy and Eosinophilic Gastrointestinal Disorders, 2004

Treatment of Severe Ulcerative Colitis, 2004

Abdominal Pain and Pregnancy, 2004

Ongoing Research:

Novel Use of an Intravascular Device to Treat Life-threatening Portal Vein and Superior Mesenteric Vein Thrombosis in a Patient With Crohn's Disease. Submitted to Gastroenterology, December 2004

Efficacy and Safety of Rifaximin in the Treatment of Mild to Moderate Crohn's Disease: Results of an Open Label Pilot Study.

A. Kornbluth, J. George, G. Latzman et al.

Abstract submitted to DDW December 2004.

Review article on pouchitis: Currently writing a review article with Drs. Asher Kornbluth and Peter Legnani on the endoscopic evaluation of the pouch and pouchitis

Bouverets Syndrome and Biliary Obstruction, G. Latzman, P. Legnani.

At the focal point...Submitted to gastrointestinal endoscopy December 2004

Current research:

Prevalence of CMV in patients with inflammatory bowel disease.

Primary Investigator: Gordon S. Latzman, M.D.

Secondary Investigators: Asher Kornbluth M.D., Noam Harpaz, M.D., PhD., Lloyd Mayer, M.D.

Additional Activities:

Moonlighting: weekend coverage of inpatient and phone services of multiple gastroenterology practices associated with Mount Sinai Hospital, July 2003-June 2005

Practices Include:

**Drs. Daniel Present, Mark Chapman, James Marion, Peter Rubin,
Adam Steinlauf**

Dr. Jerome Waye

Drs. Asher Kornbluth, James George, Peter Legnani

Drs. Anthony Weiss, Barry Jaffin

Drs. Blair Lewis, Lawrence Cohen, James Aisenberg, Kenneth Miller

Drs. William Perlow and Leon Kavalier

Dr. Frank Klion

Dr. Lawrence Werther

ERCP: I have spent approximately 1/3 of the second year of my fellowship engaged in training in diagnostic and therapeutic ERCP. I plan to complete that training during my third year of fellowship.

Other Interests:

Traveling, reading, long distance running, basketball, skiing, squash, tennis, hiking, biking.

CURRICULUM VITAE**Edwin G. Levine, M.D.**

6 Brianna Lane
 Easton, CT 06612
 (203) 268-6368

888 White Plains Road
 Trumbull, CT 06611
 (203) 459-4451

PERSONAL HISTORY:

Born May 5, 1961, Yonkers, N.Y.
 Married, two children, ages 13 and 15

EDUCATION:

1987	M.D.	State University of New York Health Science Center at Brooklyn (Downstate) Brooklyn, New York
1983	B.A.	Wesleyan University Middletown, Connecticut Degree in Math and Economics

PROFESSIONAL TRAINING:

July 1991 - June 1993	Fellow in Clinical Gastroenterology and Hepatology Montefiore Medical Center Bronx, New York
July 1990 - June 1991	Chief Resident Department of Internal Medicine Montefiore Medical Center Bronx, New York
July 1989 - June 1990	Chief Resident Primary Care Program Department of Internal Medicine Montefiore Medical Center Bronx, New York
July 1987 - June 1990	Resident Internal Medical and Primary Care Medicine Montefiore Medical Center Bronx, New York

AWARDS:

2009 - 2011	Connecticut Magazine Best Doctor List Gastroenterology
September 2002	Appreciation Award IODA Project American Cancer Society
1998	Outstanding Emergency Department Consultant St. Vincent's Medical Center Bridgeport, CT
May 1993	Outstanding House Officer Montefiore Medical Center Bronx, New York

WORK EXPERIENCE:

January 2002 – present	G.I. Health Specialists/Primed 888 White Plains Road, Suite 110 Trumbull, CT
September 1993 – Dec 2001	Eras, Federico, Levin, and Levine, LLC Private practice of Internal Medicine and Gastroenterology 4699 Main Street Bridgeport, Connecticut

SPECIAL TRAINING:

July/August 1993	Advanced training in diagnostic and therapeutic endoscopic retrograde cholangiopancreatography Dr. Claudio Navarrette Hospital San Borya Arriaron Santiago, Chile
------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

OTHER CLINICAL EXPERIENCES:

1993 -- present	Ward Attending and General Service Gastroenterology and Internal Medicine Attending for Residents and Fellows
	Department of Internal Medicine St. Vincent's Medical Center Bridgeport, Connecticut
1990 -- 1993	ICU Attending/House Physician Medical Intensive Care Unit North Central Bronx Hospital Bronx, New York

COMMITTEES:

2006 -- 2008	President of Medical Staff St. Vincent's Medical Center Bridgeport, Connecticut
2004 -- 2006	Vice President of Medical Staff St. Vincent's Medical Center Bridgeport, Connecticut
2002 -- 2010	Executive Committee St. Vincent's Medical Center Bridgeport, Connecticut
1997 -- 2000	Utilization Review Committee St. Vincent's Medical Center Bridgeport, Connecticut
1995 -- 1999	Quality Assurance Reviews HealthNet Trumbull, Connecticut
1993 -- 1997	Committee on Graduate Medical Education St. Vincent's Medical Center Bridgeport, Connecticut
1996 -- 1997	Credentials Committee St. Vincent's Medical Center Bridgeport, Connecticut
1996 -- 1997	Medical Records Committee St. Vincent's Medical Center Bridgeport, Connecticut

1993 – 1995	Pharmacy and Therapeutics Committee St. Vincent's Medical Center Bridgeport, Connecticut
1990 – 1991	Quality Assurance Committee Montefiore Medical Center & North Central Bronx Hospital Bronx, New York

CERTIFICATION:

October 2003	Diplomate, Gastroenterology, American Board of Internal Medicine (recertification)- exp 2013
October 2003	Diplomate, Internal Medicine, American Board of Internal Medicine (recertification)- exp 2013

LICENSURE:

July 1993 –present	Connecticut State Medical License
--------------------	-----------------------------------

PROFESSIONAL SOCIETIES:

American College of Gastroenterology
American Gastroenterology Association

PUBLICATIONS:

Levine EG, Brandt LJ, Plumeri P: Informed Consent: A Survey of Physician Outcomes and Practices. Gastrointestinal Endoscopy, 41:448, 1995

Levine EG, Brandt LJ: A rectal concretion of hydrocortisone acetate. Gastrointestinal Endoscopy, 39:472, 1993

Estabrook SG, Levine EG, Bernstein LH: Gastrointestinal Crises in Intensive Care. In: Kvetan V, Gallagher TJ (eds): Anesthesiology Clinics of North America, 9:367, 1991

Birrer RB, Levine EG: High Altitude Medicine. Annals of Sports Medicine, 2:4, 1986

CURRICULUM VITAE**SCOTT A. WEISS, M.D.**

5 Fieldstone Drive
 Easton, CT 06612
 (203) 261-2019

888 White Plains Road
 Trumbull, CT 06611
 (203) 459-4451

PERSONAL DATA:

Born February 6, 1962
 Married, two children

EDUCATION:

1985	M.D.	Sackler School of Medicine at Tel Aviv University Tel Aviv, Israel
1980	B.S.	State University of N.Y. at Stony Brook Stony Brook, N.Y. Research Distinction in Virology Dean's List

PROFESSIONAL TRAINING:

1992-1994	Fellowship in Gastroenterology Yale Affiliated G.I. Training at Bridgeport Hospital
1984-1992	Resident, Internal Medicine Bronx Municipal Hospital Center and Albert Einstein College of Medicine

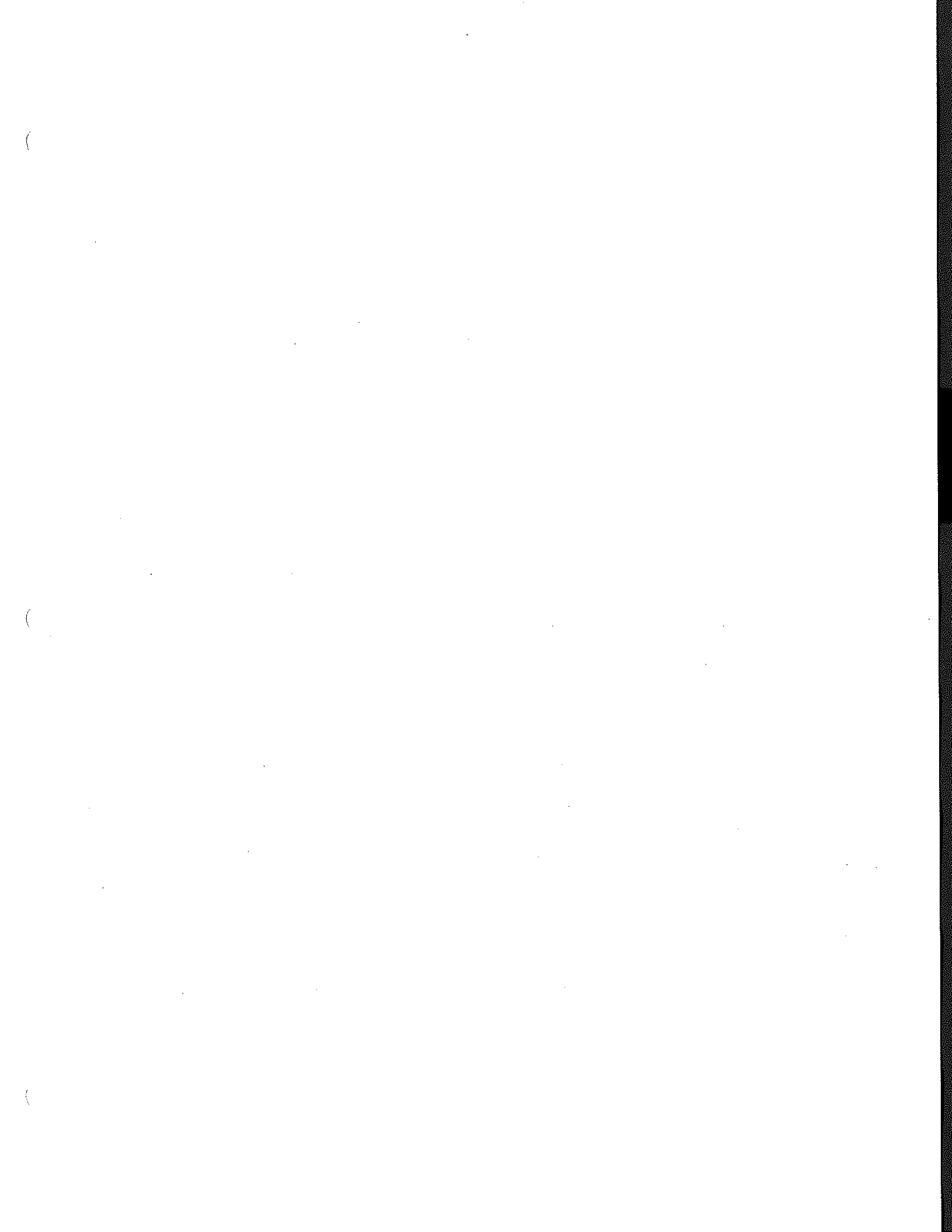
WORK EXPERIENCE:

2004- present

G.I. Health Specialists
888 White Plains Road
Trumbull, CT 06611

1994-2004

Fairfield County Medical Group
4697 Main Street
Bridgeport, CT 06606**PROFESSIONAL CREDENTIALS AND AFFILIATIONS:**Board Certified, Gastroenterology, 1995
Diplomat, American Board of Internal Medicine, 1992
Member, American College of Gastroenterology
Connecticut State License, 1992- present**PUBLICATIONS:**Weiss SA, Davis GL, Shaw-Stiffel TA: Hepatic Sarcoidosis.
Gastroenterologist, 1994; 2: 247-53



ATTACHMENT VI
INTERNAL REVENUE SERVICE LETTER
TAX EXEMPT STATUS FOR NEMG

IRS Department of the Treasury
Internal Revenue Service
P.O. Box 2508, Room 4010
Cincinnati OH 45201

030096.733807.0153.004 1 AB 0.360 540



NORTHEAST MEDICAL GROUP INC
AARON G BOWMAN
PULLMAN & COMLEY LLC
850 MAIN STREET
BRIDGEPORT CT 06604

030096

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT,
EVEN IF YOU ALSO HAVE AN INQUIRY.



The IRS address must appear in the window.

Use for payments


BODCD-TE

4077552422

Letter Number: LTR4168C
Letter Date : 2010-06-02
Tax Period : 000000




061330992


INTERNAL REVENUE SERVICE
P.O. Box 2508, Room 4010
Cincinnati OH 45201


NORTHEAST MEDICAL GROUP INC
AARON G BOWMAN
PULLMAN & COMLEY LLC
850 MAIN STREET
BRIDGEPORT CT 06604

061330992 NT MILL 00 2 000000 670 000000000000

 **IRS** Department of the Treasury
Internal Revenue Service
P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077552422
June 02, 2010 LTR 4168C C3
06-1330992 000000 00 X
00031451
BODC: TE


NORTHEAST MEDICAL GROUP INC
AARON G BOWMAN
PULLMAN & COMLEY LLC
850 MAIN STREET
BRIDGEPORT CT 06604

0096

Employer Identification Number: 06-1330992
Person to Contact: Mr. R. Molloy
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Mar. 26, 2010, request for information regarding your tax-exempt status.

Our records indicate that your organization was recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in September 1993.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

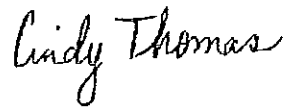
Beginning with the organization's sixth taxable year and all succeeding years, it must meet one of the public support tests under section 170(b)(1)(A)(vi) or section 509(a)(2) as reported on Schedule A of the Form 990. If your organization does not meet the public support test for two consecutive years, it is required to file Form 990-PF, Return of Private Foundation, for the second tax year that the organization failed to meet the support test and will be reclassified as a private foundation.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

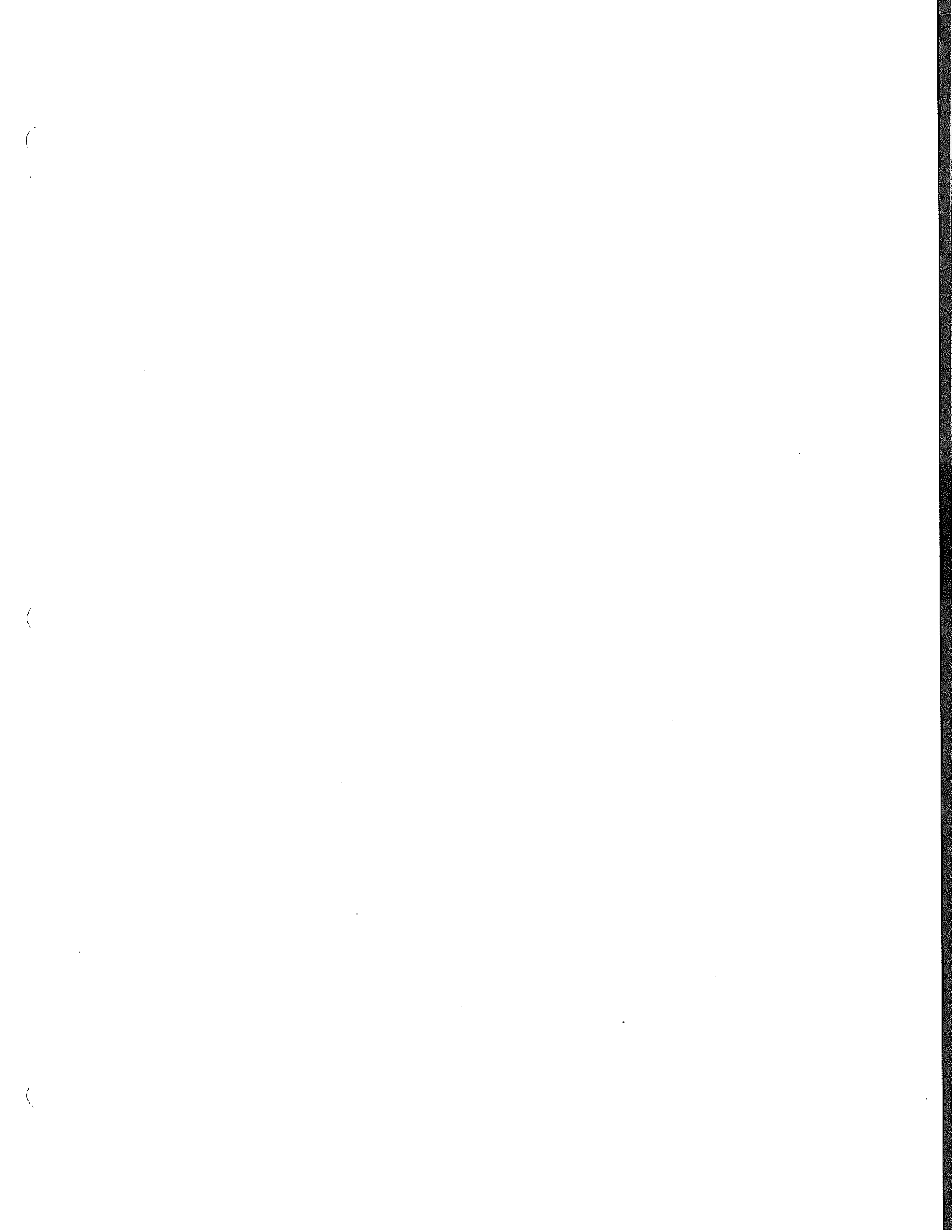
4077552422
June 02, 2010 LTR 4168C C3
06-1330992 000000 00 X
00031452

NORTHEAST MEDICAL GROUP INC
AARON G BOWMAN
PULLMAN & COMLEY LLC
850 MAIN STREET
BRIDGEPORT CT 06604

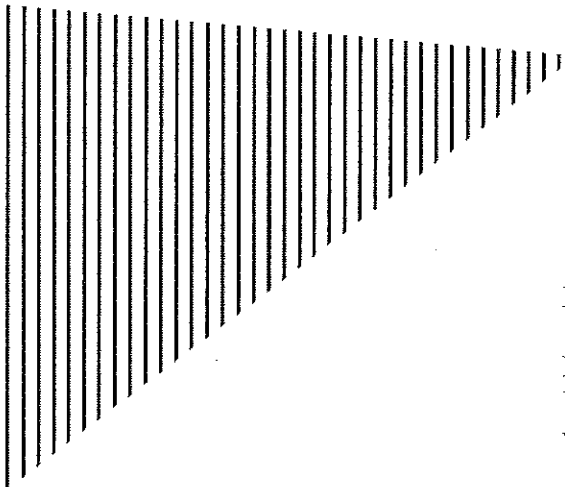
Sincerely yours,



Cindy Thomas
Manager, EO Determinations



ATTACHMENT VII
AUDITED FINANCIAL STATEMENTS
NORTHEAST MEDICAL GROUP, INC
& PRIMED GASTROENTEROLOGY, LLC



FINANCIAL STATEMENTS

Northeast Medical Group
Years Ended September 30, 2013 and 2012
with Report of Independent Auditors

Ernst & Young LLP



Northeast Medical Group

Financial Statements

Years Ended September 30, 2013 and 2012

Contents

Report of Independent Auditors.....	1
Financial Statements	
Balance Sheets	3
Statements of Operations and Changes in Unrestricted Net Assets	4
Statements of Cash Flows	5
Notes to Financial Statements.....	6



Ernst & Young
Goodwin Square
225 Asylum Street
Hartford, CT 06103
Tel: +1 860 247 3100
Fax: +1 860 725 6040
www.ey.com

Report of Independent Auditors

The Board of Directors
Northeast Medical Group

We have audited the accompanying financial statements of Northeast Medical Group (“NEMG”), which comprise the balance sheets as of September 30, 2013 and 2012, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Medical Group at September 30, 2013 and 2012, and the results of its operations and changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Change in Presentation of the Provision for Bad Debts

As discussed in Note 1 to the accompanying financial statements, in 2013, NEMG adopted the provisions of Accounting Standards Update No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which resulted in a change to the presentation of the provision for bad debts in the accompanying statements of operations and changes in net assets effective October 1, 2011. Our opinion is not modified with respect to this matter.

Ernst & Young LLP

December 23, 2013

Northeast Medical Group

Balance Sheets

	September 30	
	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,005,495	\$ 2,833,939
Accounts receivable for services to patients, less allowance for uncollectible accounts of approximately \$5,587,000 and \$3,399,000 at September 30, 2013 and 2012, respectively	7,360,118	4,926,069
Due from affiliates, net	—	1,365,184
Prepaid expenses and other current assets	2,760,653	2,324,571
Total current assets	<u>21,126,266</u>	<u>11,449,763</u>
Goodwill	266,975	266,975
Property, plant, and equipment:		
Furniture and equipment	2,365,740	1,536,926
Leasehold improvements	1,348,933	1,207,521
	<u>3,714,673</u>	<u>2,744,447</u>
Less accumulated depreciation and amortization	2,347,494	1,750,783
	<u>1,367,179</u>	<u>993,664</u>
Other long-term assets	3,324,772	4,298,021
Total assets	<u>\$ 26,085,192</u>	<u>\$ 17,008,423</u>
Liabilities and unrestricted net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 4,443,853	\$ 2,534,062
Accrued salaries, wages, and payroll taxes	12,645,364	11,246,310
Third-party payor liabilities	1,322,818	659,136
Due to affiliates, net	5,104,242	—
Total current liabilities	<u>23,516,277</u>	<u>14,439,508</u>
Unrestricted net assets	2,568,915	2,568,915
Total liabilities and unrestricted net assets	<u>\$ 26,085,192</u>	<u>\$ 17,008,423</u>

See accompanying notes.

Northeast Medical Group

Statements of Operations and Changes in Unrestricted Net Assets

	Year Ended September 30	
	2013	2012
Operating revenue:		
Net patient service revenue	\$ 100,083,369	\$ 55,784,078
Less: Provision for bad debts	3,353,671	2,289,563
Net patient service revenue, less provision for bad debts	96,729,698	53,494,515
Contract and other revenue	67,190,525	58,025,270
Total operating revenue	<u>163,920,223</u>	<u>111,519,785</u>
Operating expenses:		
Salaries and wages	104,904,493	77,061,147
Employee benefits	21,466,568	13,751,442
Professional fees, supplies, and other	72,706,602	46,795,386
Depreciation	596,711	420,787
Amortization	1,817,319	—
Total operating expenses	<u>201,491,693</u>	<u>138,028,762</u>
Loss from operations	<u>(37,571,470)</u>	<u>(26,508,977)</u>
Non-operating gains:		
Investment expense	—	(1,079)
Deficiency of revenue over expenses	<u>(37,571,470)</u>	<u>(26,510,056)</u>
Net asset transfer from Yale-New Haven Health Services Corporation	<u>37,571,470</u>	<u>26,510,056</u>
Increase in unrestricted net assets	—	—
Unrestricted net assets, beginning of period	2,568,915	2,568,915
Unrestricted net assets, end of period	<u>\$ 2,568,915</u>	<u>\$ 2,568,915</u>

See accompanying notes.

Northeast Medical Group

Statements of Cash Flows

	Year Ended September 30	
	2013	2012
Cash flows from operating activities		
Increase in unrestricted net assets	\$	\$
Adjustments to reconcile increase in unrestricted net assets to net cash used in operating activities:		
Depreciation	596,711	420,787
Amortization	1,817,319	-
Bad debt expense	3,353,671	2,289,563
Net asset transfer from Yale-New Haven Health Services Corporation	(37,571,470)	(26,510,056)
Changes in operating assets and liabilities:		
Accounts receivable, net	(5,787,720)	(1,217,328)
Due (to) from affiliates, net	6,469,426	(192,683)
Prepaid expenses and other current assets	(436,082)	(1,734,496)
Other long term assets	(844,070)	(3,158,521)
Accounts payable and accrued expenses	1,909,791	182,355
Accrued salaries, wages, and payroll taxes	1,399,054	4,443,789
Third-party payor liabilities	663,682	121,674
Net cash used in operating activities	<u>(28,429,688)</u>	<u>(25,354,916)</u>
Cash flows from investing activities		
Acquisitions of property, plant, and equipment	(970,226)	(197,419)
Net cash used in investing activities	<u>(970,226)</u>	<u>(197,419)</u>
Cash flows from financing activities		
Net asset transfer from Yale-New Haven Health Services Corporation	37,571,470	26,510,056
Net cash provided by financing activities	<u>37,571,470</u>	<u>26,510,056</u>
Net change in cash and cash equivalents	8,171,556	957,721
Cash and cash equivalents, beginning of year	2,833,939	1,876,218
Cash and cash equivalents, end of year	<u>\$ 11,005,495</u>	<u>\$ 2,833,939</u>

See accompanying notes.

Northeast Medical Group

Notes to Financial Statements

September 30, 2013

1. Organization and Significant Accounting Policies

Northeast Medical Group (NEMG) is a tax-exempt medical foundation that provides physician-related services to Bridgeport, Greenwich and Yale-New Haven Hospitals (the Hospitals) and their surrounding communities. NEMG commenced operations on April 1, 2010, using the existing legal infrastructure of its predecessor, Mill Hill Medical Consultants, Inc.

Yale-New Haven Health Services Corporation (YNHHC) is the sole member of NEMG, Bridgeport Hospital & Healthcare Services, Inc. (BHHS) and Greenwich Health Care Services, Inc. (GHCS), and is a parent company of YNH Network Corporation (YNHNC) and Y-NHH-MSO, Inc. (MSO). YNHNC, BHHS and GHCS (Delivery Networks) are tax-exempt organizations and serve as the sole member/parent for their respective group of regional healthcare providers and related entities. Pursuant to its corporate bylaws, NEMG operates autonomously with a separate Board of Directors, management staff and medical staff; however, as the sole member, YNHHC retains certain reserve powers such as approving NEMG's strategic plans, operating and capital budgets and Board of Directors appointments. YNHHC has both the intent and ability to provide financial support relative to operations and strategic acquisitions to NEMG for the foreseeable future.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectibles for accounts receivable for services to patients, and liabilities, including estimated payables to third-party payers and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenue and expenses during the reporting period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from these estimates.

Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less when purchased, which are not classified as assets limited as to use or held in short-term investments.

Cash and cash equivalents are maintained with domestic financial institutions with deposits which exceed federally insured limits. It is NEMG's policy to monitor the financial strength of these institutions.

Northeast Medical Group

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Goodwill

At least annually, NEMG is required to perform a review of its goodwill for impairment. Based on NEMG's review at September 30, 2013, goodwill, which is related to the acquisition of the Huntington practice, was determined not to be impaired based on the practice's positive financial results.

Accounts Receivable

Patient accounts receivable result from the health care services provided by NEMG. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other collection indicators.

Investments

NEMG has designated all investments reported in the accompanying balance sheets as trading securities. As such, unrealized gains and losses are included in deficiency of revenue over expenses. Investments in cash and cash equivalents with readily determinable fair values and investments in debt securities are measured at fair value in the accompanying balance sheets. Realized gains and losses on investments, interest and dividends are included in gain or loss from operations unless the income or loss is restricted by donor or law.

Property, Plant, and Equipment

Property, plant, and equipment purchased are recorded at cost and those acquired by gifts and bequests are recorded at appraised or fair value established at the date of contribution. The recorded assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations. Depreciation of property, plant, and equipment is computed on the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives. Depreciation expense was \$596,711 and \$420,787 for the years ended September 30, 2013 and 2012, respectively.

Northeast Medical Group

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Uncompensated Care and Community Benefit Expense

NEMG's commitment to community service is evidenced by services provided to the poor and benefits provided to the broader community. Services provided to the poor include services provided to persons who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured.

NEMG makes available free care programs for qualifying patients. In accordance with the established policies of NEMG, during the registration, billing and collection process a patient's eligibility for free care funds is determined. For patients who were determined by NEMG to have the ability to pay but did not, the uncollected amounts are bad debt expense. For patients who do not avail themselves of any free care program and whose ability to pay cannot be determined by NEMG, care given but not paid for, is classified as charity care.

Together, charity care and bad debt expense represent uncompensated care. The estimated cost of total uncompensated care is approximately \$4,144,309 and \$2,530,580 for the years ended September 30, 2013 and 2012, respectively. The estimated cost of uncompensated care is based on the ratio of cost to charges associated with providing charity care.

The estimated cost of charity care provided was \$790,638 and \$241,017 for the years ended September 30, 2013 and 2012, respectively. The estimated cost of charity care is based on the ratio of cost to charges, as determined by company-specific data.

For the years ended September 30, 2013 and 2012, bad debt expense was \$3,353,671 and \$2,289,563, respectively. The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

Medical Malpractice Insurance

The physicians of NEMG are covered by the Hospital's malpractice insurance policy. This charge is a component of other expenses.

Deficiency of Revenue over Expenses

In the accompanying statement of operations and changes in unrestricted net assets, deficiency of revenue over expenses is the performance indicator. Peripheral or incidental transactions are included in deficiency of revenue over expenses within non-operating gains.

Northeast Medical Group

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Contributions of, or restricted to, property, plant, and equipment, transfers of assets to and from affiliates for other than goods and services, and pension and other post-retirement liability adjustments are excluded from the performance indicator but are included in the change in net assets.

Net Patient Service Revenue

Accounts receivable for services to patients and net patient service revenue are recorded when patient services are performed. NEMG records net patient service revenue for various payers based on a fee-for-service arrangement. Amounts received from certain payers are different from established billing rates of NEMG, and the difference is accounted for as contractual allowances.

Revenue from Medicare and Medicaid programs accounted for approximately 34% and 28% of NEMG net patient service revenue for the years ended September 30, 2013 and 2012, respectively. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term. NEMG believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries are outstanding, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on NEMG.

Patient service revenue for the year ended September 30, 2013, net of contractual allowances and discounts (but before the provision for bad debts), recognized from these major payor sources based on primary insurance designation, is as follows:

	<u>Third-Party</u>	<u>Self-Pay</u>	<u>Total All Payors</u>
Patient service revenue (net of contractual allowances and discounts)	\$95,391,944	\$4,691,425	\$100,083,369

Northeast Medical Group

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Deductibles and copayments under third-party payment programs within the third-party payor amount above are the patient's responsibility and NEMG considers these amounts in its determination of the provision for bad debts based on collection experience. Accounts receivable

are also reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, NEMG analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

NEMG's allowance for doubtful accounts totaled approximately \$ 5,587,000 and \$3,399,000 at September 30, 2013 and 2012, respectively. The allowance for doubtful accounts for self-pay patients was approximately 83% and 83% of self-pay accounts receivable as of September 30, 2013 and 2012, respectively. Overall, the total of self-pay discounts and write-offs did not change significantly in 2013. NEMG did not experience significant changes in write-off trends and did not change its charity care policy in 2013.

Income Taxes

NEMG is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal or state income taxes on related income pursuant to Section 501(a) of the Code.

New Accounting Pronouncement

In July 2011, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ("ASU No. 2011-07"). In accordance with ASU No. 2011-07, NEMG changed the presentation of its statement of operations and changes in unrestricted net assets by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue, similar to contractual allowances and discounts. Additionally, NEMG has provided enhanced disclosures about its policies for recognizing revenue and assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. NEMG adopted this accounting standard update as of October 1, 2012, and retrospectively applied the presentation of the provision for bad debts in the accompanying

Northeast Medical Group

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

statements of operations and changes in unrestricted net assets to all periods presented. The enhanced disclosure requirements are required in the period of adoption and subsequent reporting periods. NEMG's adoption of this update has no effect on the previously reported deficiency of revenue over expenses or on net assets.

Reclassifications

Certain reclassifications have been made to the year ended September 30, 2012 balances previously reported in the financial statements in order to conform with the year ended September 30, 2013 presentation, including the reclassification of provision for doubtful accounts on the statements of operations related to the adoption of ASU 2011-07.

2. Transactions with Delivery Networks

Contract Revenue

NEMG has a contract with the Hospitals to provide the following types of physician-related services: patient care, medical education, research and administration. In return for these services, the Hospitals pay NEMG a contract fee based upon the portion of each physician's time that is spent performing these services for the Hospitals. The fee was \$67,190,525 and \$58,922,328 for the years ended September 30, 2013 and 2012, respectively.

Cost Sharing

Certain overhead expenses incurred by the Hospitals that directly or indirectly benefit NEMG are charged to NEMG. Those expenses relate to the following services: financial management, data processing, human resources, legal services, secretarial and administrative support, certain employee benefits, and insurance coverage.

3. Retirement Benefit Plans

NEMG is part of the Yale-New Haven Hospital's defined benefit pension plan (the Defined Benefit Plan) covering substantially all employees. The benefits are based on years of service and employees' average compensation as defined by the plan documents. NEMG and certain other affiliates of Yale-New Haven Hospital make contributions in amounts sufficient to meet

Northeast Medical Group

Notes to Financial Statements (continued)

3. Retirement Benefit Plans (continued)

the required benefits to be paid to plan participants as they become due as required under the Employee Retirement Income Security Act of 1974. NEMG recorded expense of \$3,348,007 and \$2,209,783 for the years ended September 30, 2013 and 2012, respectively.

4. Commitments and Contingencies

Various lawsuits and claims arising in the normal course of operations are pending or are in progress against NEMG. Such lawsuits and claims are either specifically covered by insurance as explained in Note 1 or are not deemed material. While the outcome of these lawsuits cannot be determined at this time, management believes that any loss, which may arise from these actions, will not have a material adverse effect on the financial position or results of operations and changes in unrestricted net assets of NEMG.

NEMG leases certain office space and equipment from both related and unrelated parties. Rent expense was approximately \$4,867,876 and \$2,744,274 for the years ended September 30, 2013 and 2012, respectively. The total rent for related parties was approximately \$1,286,385 and \$1,580,723 for the years ended September 30, 2013 and 2012, respectively.

At September 30, 2013, the future minimum rental commitments under these noncancellable operating leases were:

	Total Future Minimum Rental Commitments
Fiscal year:	
2014	\$ 3,962,650
2015	2,558,877
2016	1,868,561
2017	1,470,283
2018	772,133
Thereafter	795,651
	\$ 11,428,155

During 2013 and 2012, NEMG recorded decreases in net patient service revenue of approximately \$1,322,818 and \$659,136, respectively, related to changes in previously estimated third-party payor settlements.

Northeast Medical Group

Notes to Financial Statements (continued)

5. Functional Expenses

NEMG provides general physician-related services to residents within its geographic location. Expenses related to these services are as follows:

	Year Ended September 30	
	2013	2012
Health care services	\$ 186,865,034	\$ 126,567,087
General and administrative	14,626,659	11,461,675
	<u>\$ 201,491,693</u>	<u>\$ 138,028,762</u>

6. Related-Party Transactions

NEMG provides physician-related services to the Hospitals and is billed for certain overhead expenses incurred by the YNHHSOC that directly or indirectly benefit NEMG, as described in Note 2. In addition, NEMG purchases certain management services from the delivery networks. The related amounts are as follows:

	Year Ended September 30	
	2013	2012
Services to affiliates:		
YNHHSOC	<u>\$ 67,190,525</u>	<u>\$ 58,778,328</u>
Expenses charged by affiliates:		
YNHHSOC	<u>\$ 2,684,849</u>	<u>\$ 1,876,211</u>
Due (to) from affiliate:		
Y-NH Medical Service Organization	\$ (143,196)	\$ (287,206)
Bridgeport Hospital	1,357,337	2,436,735
Geriatrics, P.C.	-	5,590
Due to YNHHSOC	(6,653,943)	(4,483,613)
Medical Services, P.C.	-	113,687
Greenwich Hospital	859,765	643,247
Bridgeport Health System	24,424	24,424
Yale New Haven Hospital	(548,629)	2,912,320
	<u>\$ (5,104,242)</u>	<u>\$ 1,365,184</u>

Northeast Medical Group

Notes to Financial Statements (continued)

7. Fair Values Measurements

In determining fair value, NEMG utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. NEMG also considers nonperformance risk in the overall assessment of fair value.

ASC No. 820-10 establishes a three tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.

Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

Financial assets carried at fair value for the years ended September 30, 2013 and 2012 consisted of cash and cash equivalents and were \$11,005,495 and \$2,833,939 respectively, both classified as Level 1 assets.

8. Grant Revenue

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments. Providers that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015.

Northeast Medical Group

Notes to Financial Statements (continued)

8. Grant Revenue (continued)

NEMG uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized when NEMG is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received. EHR incentive payment revenue totaling approximately \$1,130,000 and \$144,000 for Medicare for the year ended September 30, 2013 and 2012, respectively, is included in contract and other revenue in the accompanying statement of operations and changes in unrestricted net assets. Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated. Additionally, NEMG's attestation of compliance with the meaningful use criteria is subject to audit by the federal government.

9. Subsequent Events

Subsequent events have been evaluated through December 23, 2013, which is the date the financial statements were available to be issued. No other events have occurred that require disclosure or adjustment of the financial statements.

Ernst & Young LLP

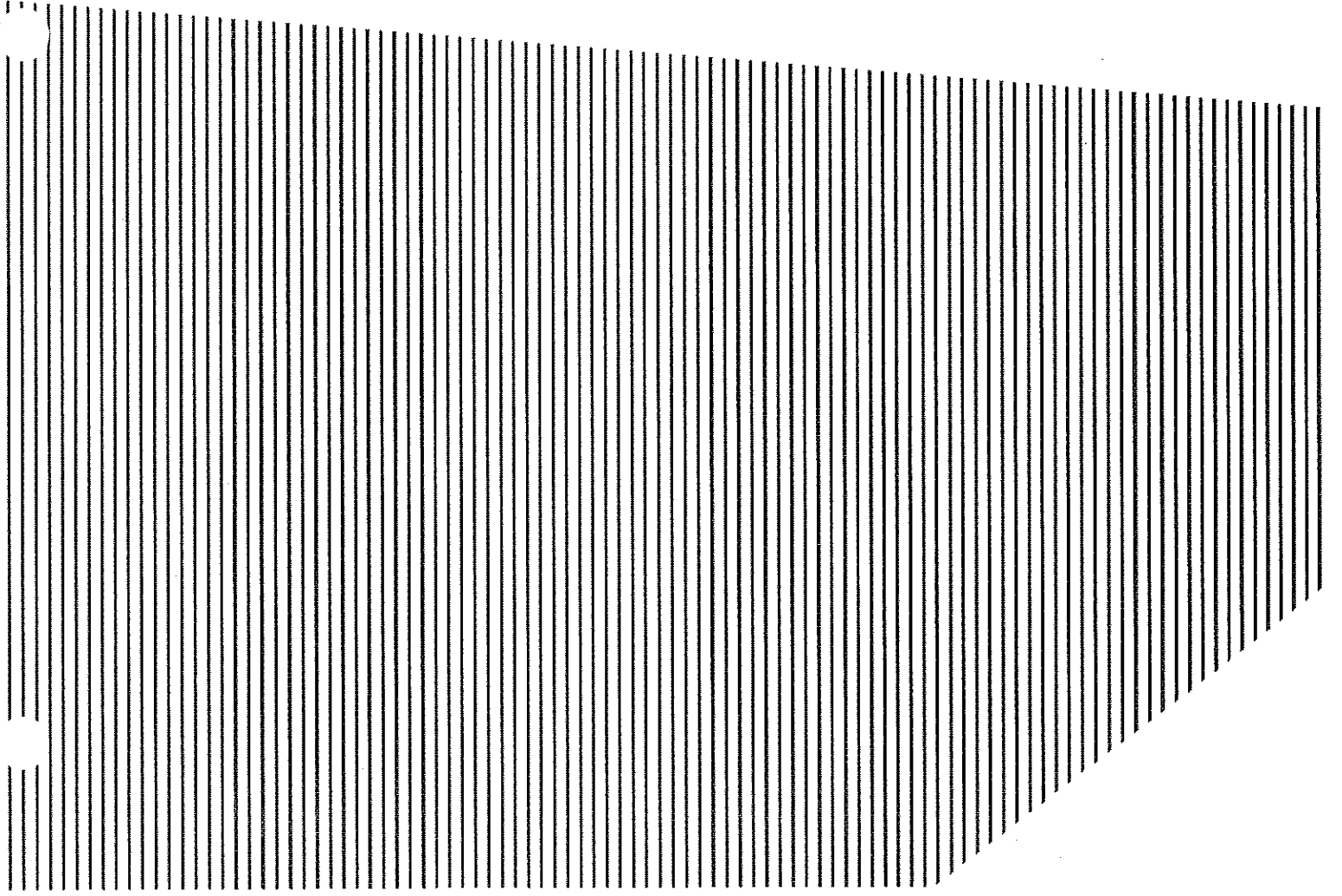
Assurance | Tax | Transactions | Advisory

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 167,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit www.ey.com

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients.



PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

Financial Statements

YEARS ENDED
DECEMBER 31, 2013 AND 2012

FRIEDBERG, SMITH & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

CONTENTS

Independent Accountant's Review Report

FINANCIAL STATEMENTS

Balance sheets..... Exhibit A
Statements of earnings..... Exhibit B
Statements of member's equity..... Exhibit C
Statements of cash flows..... Exhibit D

Notes to Financial statements

FRIEDBERG, SMITH & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

DAVID M. ZIEFF, C.P.A.
 JOSEPH ROSENMAN, C.P.A.
 JOHN P. MCCARTHY, C.P.A.
 THOMAS R. DURAND, C.P.A.
 ROBERT J. SCHLESS, C.P.A.
 RICHARD P. OFFENBACH, C.P.A.
 WILLIAM H. VAN ALSTYNE, C.P.A.
 SANDRA D. CALLANAN, C.P.A.

855 MAIN STREET
 BRIDGEPORT, CONN. 06604

PHONE (203) 366-5876

PHONE (203) 359-1100

FAX (203) 366-1924

E-MAIL CONTACT@FSCO-CPA.COM

MEMBERS
 AMERICAN INSTITUTE OF
 CERTIFIED PUBLIC ACCOUNTANTS

CONNECTICUT SOCIETY OF
 CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Review Report

The Member
 Primed Gastroenterology, LLC
 Shelton, Connecticut

We have reviewed the accompanying Balance sheets of PriMed Gastroenterology, LLC as of December 31, 2013 and 2012, and the related Statements of earnings, Member's equity and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the Financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining Internal control relevant to the preparation and fair presentation of the Financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the Financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying Financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

May 13, 2014



EXHIBIT A

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS (Substantially Pledged)</u>		
<u>Current Assets</u>		
Cash (Notes 2 and 3)	\$ 2,143,942	\$ 1,773,853
Patient Accounts Receivable, Net of Allowance for Uncollectible Accounts of \$76,717 in 2013 and \$80,364 in 2012 (Notes 2 and 3)	223,595	278,190
Deferred and Prepaid Expenses (Notes 2 and 4)	36,931	38,146
Total Current Assets	<u>2,404,468</u>	<u>2,090,189</u>
Equipment and Improvements, Net of Depreciation and Amortization of \$1,034,946 in 2013 and \$947,905 in 2012 (Notes 2 and 5)	<u>207,017</u>	<u>244,153</u>
<u>Other Assets</u>		
Deferred and Prepaid Expenses, Net of Current portion (Notes 2 and 4)	31,111	67,130
Due from PriMed, LLC (Notes 1, 2 and 10)	<u>7,624,698</u>	<u>6,575,529</u>
Total Other Assets	<u>7,655,809</u>	<u>6,642,659</u>
TOTAL ASSETS	<u>\$ 10,267,294</u>	<u>\$ 8,977,001</u>
<u>LIABILITIES AND MEMBER'S EQUITY</u>		
<u>Current Liabilities</u>		
Management Fees Payable (Note 11)	\$ 61,199	\$ 57,978
Accounts Payable and Accrued Expenses (Note 2)	17,237	23,208
Accrued Salaries and Benefits (Notes 2 and 9)	43,014	59,590
Accrued Employer 401k Contributions (Notes 2 and 9)	41,992	34,459
Patient and Insurance Refunds Payable (Note 2)	45,347	77,902
Current Portion of Deferred Revenue (Note 2)	30,685	30,685
Total Current Liabilities	<u>239,474</u>	<u>283,822</u>
<u>Long-Term Liabilities</u>		
Deferred Revenue, Net of Current portion (Note 2)	-	30,685
Total Liabilities	<u>239,474</u>	<u>314,507</u>
Member's Equity (Notes 1, 2, 10, 12 and 13)	<u>10,027,820</u>	<u>8,662,494</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 10,267,294</u>	<u>\$ 8,977,001</u>

See independent accountant's review report
and notes to financial statements.

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>Revenues</u>		
Patient Service Fees, net of Contractual adjustments (Notes 2 and 3)	\$ 3,908,594	\$ 3,828,180
Insurance Claims Revenue (Note 8)	17,411	-
Other Revenue (Notes 2)	<u>30,685</u>	<u>30,685</u>
Total Revenues	<u>3,956,690</u>	<u>3,858,865</u>
<u>Expenses</u>		
Clinical Wages	755,340	691,077
Administrative Wages	220,746	196,038
Payroll Taxes, Group Insurance and Other Employee Benefits (Note 9)	99,125	92,315
401(k) Plan Contribution (Note 9)	41,992	34,459
Provision for Uncollectible Accounts (Note 2)	74,285	85,514
Medical and Laboratory Supplies	331,808	339,437
Equipment Lease and Maintenance Costs	81,468	55,909
Rent (Note 12)	206,273	201,784
Other Occupancy Costs	67,537	78,332
Insurance	24,566	34,739
Professional Services	80,605	74,002
Office Supplies and Expense	57,332	56,607
Membership, Dues, Licenses and Education	14,784	15,185
Depreciation and Amortization (Notes 2 and 5)	123,060	152,133
Management Fees (Note 11)	391,360	374,267
Interest Expense	236	317
Other	<u>20,847</u>	<u>26,082</u>
Total Expenses	<u>2,591,364</u>	<u>2,508,197</u>
 Net Earnings	 <u>\$ 1,365,326</u>	 <u>\$ 1,350,668</u>

See independent accountant's review report
and notes to financial statements.

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

STATEMENTS OF MEMBER'S EQUITY
YEARS ENDED DECEMBER 31, 2013 AND 2012

Balance - January 1, 2012	\$ 7,311,826
Net Earnings	<u>1,350,668</u>
Balance - December 31, 2012	8,662,494
Net Earnings	<u>1,365,326</u>
Balance - December 31, 2013	<u>\$ 10,027,820</u>

See independent accountant's review report
and notes to financial statements.

EXHIBIT D

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013 AND 2012
Increase (Decrease) in Cash

	<u>2013</u>	<u>2012</u>
<u>Cash Flows from Operating Activities</u>		
Net Earnings	\$ 1,365,326	\$ 1,350,668
Adjustments to Reconcile Net Earnings to Net <u>Cash Provided (Used) by Operating Activities</u>		
Depreciation and Amortization	123,060	152,133
Provision for Uncollectible Accounts	74,285	85,514
<u>Change in Assets and Liabilities:</u>		
Patient Accounts Receivable	(19,690)	(68,307)
Deferred and Prepaid Expenses	1,215	(5,731)
Management Fees Payable	3,221	(14,162)
Accounts Payable and Accrued Expenses	(5,971)	(12,880)
Accrued Salaries and Benefits	(16,576)	3,782
Accrued Employer 401k Contributions	7,533	409
Patient and Insurance Refunds Payable	(32,555)	17,863
Deferred Revenue	(30,685)	(30,685)
Total Adjustments	<u>103,837</u>	<u>127,936</u>
Net Cash Provided by Operating Activities	<u>1,469,163</u>	<u>1,478,604</u>
<u>Cash Flows from Investing Activities</u>		
Purchases of Equipment and Improvements	(49,905)	(12,780)
Advances to PriMed, LLC	(1,049,169)	(874,719)
Net Cash Used by Investing Activities	<u>(1,099,074)</u>	<u>(887,499)</u>
Net Increase in Cash	370,089	591,105
Cash - Beginning	<u>1,773,853</u>	<u>1,182,748</u>
Cash - Ending	<u>\$ 2,143,942</u>	<u>\$ 1,773,853</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>	<u>2013</u>	<u>2012</u>
<u>Cash Paid During the Year For</u>		
Interest	<u>\$236</u>	<u>\$317</u>

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

NOTE 1 - NATURE OF OPERATIONS

PriMed Gastroenterology, LLC (Gastro) (the Company) is a Connecticut LLC doing business as Fairfield County Endoscopy Center. The Members of Primed, LLC (PriMed) formed Gastro on December 18, 2001, to operate an outpatient endoscopy suite with PriMed being the Sole Member. Gastro began active operations in April 2003.

The Company may be terminated upon written consent by the Member or by judicial decree of dissolution in accordance with the Company's Operating agreement. The Company's operations are to render, facilitate, and arrange for the delivery of the professional services of Physicians and ancillary services. The Company's Sole Member is PriMed which is owned by Physicians in and around the Fairfield and New Haven County, Connecticut areas.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Patient Accounts Receivable

Patient accounts receivable result from the health care services provided by the Company. An Allowance for uncollectible accounts has been established which is evaluated periodically based upon Management's evaluation of past loss experience, known and inherent risks in its accounts plus other factors which could affect collectibility. For financial reporting purposes, the Company is on the allowance method of accounting for uncollectible accounts.

Equipment and Improvements

Equipment and Improvements are reflected at cost. Major improvements and betterments to Equipment and Improvements are capitalized using a threshold of \$500. Expenditures for maintenance and repairs which do not extend the estimated useful lives of the applicable assets are charged to expense as incurred. When Equipment is retired or otherwise disposed of, the assets and the related accumulated depreciation are removed from the accounts and any resulting profit or loss is recognized in operations.

Depreciation of Equipment is provided over the estimated useful lives of the assets of three to seven years using the straight-line method. Improvements are amortized over the shorter of the lease term of three to ten years or the useful life of the Improvements on a straight-line basis.

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment and Improvements (continued)

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Deferred Expenses

The Company implemented an Electronic Healthcare Records (E.H.R.) system beginning in January 2012. The implementation costs incurred are being amortized over the estimated benefit period of seven years (Note 4). Software related to the E.H.R. system is being amortized over three years.

Compensated Absences

Employees of the Company are entitled to paid time off (PTO) depending on job classification, length of service and other factors. Effective January 1, 2010, the Company's policy allows up to 80 hours to be carried over from one year to the next. Unused sick days are not compensated.

Patient and Insurance Refunds Payable

Patient and insurance refunds payable represents credit accounts receivable balances that pending research may be payable to patients and insurance providers at a future date.

Deferred Revenue

As a part of the development of its E.H.R. system, the Company has entered into an agreement under which it will receive certain contract incentives. These incentives in the amount of \$92,055 are being recognized into Revenue beginning in January 2012 over the three-year term of the agreement. Amortization in the amount of \$30,685 was recognized in Other Revenues in the accompanying Financial statements for each of the years ended December 31, 2013 and 2012.

Insurance Recoveries Receivable and Insurance Claims Liability

A provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported, including costs associated with litigating or settling claims. Anticipated insurance recoveries associated with reported claims are reported at net realizable value (Note 8).

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Patient Service Revenue

The Company has agreements with third party payers who provide for medical reimbursements to the Company at amounts different from the Company's standard billing rates, plus, in certain cases, co-payments by the patients. Net patient service revenue is reflected at the estimated net realizable amounts due from third party payers, patients, government agencies, and others for services rendered (Notes 3 and 7).

Income Taxes and Income Tax Positions

The Company and its sole Member, PriMed, are both organized as LLCs. All income is taxed to the individual Members of PriMed, and, as such, Gastro has no liability for U.S. federal and state income taxes. The Member owners of PriMed are liable for individual federal and state income taxes on their respective shares of PriMed's taxable income.

Management of the Company has evaluated all significant tax positions as required by accounting principles generally accepted in the United States of America.

Management of the Company is of the opinion that the Company has not taken any material tax positions that would require the recording of any or an additional tax liability by the Company or for the Member of the Company, nor is Management of the Company of the opinion that there are any unrealized tax benefits that would either increase or decrease materially within the next year. If required, it is the Company's policy to recognize any estimated interest and penalties in the provision for taxes.

Gastro is a disregarded entity for income tax purposes and its results of operations are included in the tax return of its sole Member, PriMed. The tax return of PriMed for the three years ended December 31, 2012 are subject to examination by the taxing authorities.

Subsequent Events

Management has evaluated subsequent events through May 13, 2014, the date the financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements, except as disclosed in Note 14.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

Cash

The Company maintains Cash Accounts at a commercial bank. Effective January 1, 2013, Cash Accounts are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC). At times during the year the Company's Cash balances exceeded the insured limits.

See independent accountant's review report.

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 - CONCENTRATIONS OF CREDIT RISK (continued)

Receivables

The Company has Accounts receivable without collateral from its patients, most of whom are residents of the Fairfield and New Haven County area insured under third party payer agreements, insurance companies and government agencies.

The Receivables and Revenues from third party payers in excess of 10% were as follows at December 31 and for the years then ended:

<u>2013</u>	<u>Receivable</u>	<u>Revenue</u>
Medicare	11%	18%
Blue Cross / Blue Shield of Connecticut	14%	24%
United Healthcare	8%	12%
Aetna	10%	15%
CIGNA	11%	15%

<u>2012</u>	<u>Receivable</u>	<u>Revenue</u>
Medicare	12%	17%
Blue Cross / Blue Shield of Connecticut	18%	25%
United Healthcare	10%	12%
CIGNA	11%	15%
Aetna	5%	12%

NOTE 4 – DEFERRED AND PREPAID EXPENSES

At December 31, Deferred and Prepaid Expenses consisted of (Note 2):

	<u>2013</u>	<u>2012</u>
E.H.R. Software Development Costs	\$ 85,555	\$ 85,555
E.H.R. Implementation Costs	52,500	52,500
Deposits and Prepaid Other	913	2,128
Total	138,968	140,183
Less: Accumulated Amortization	70,926	34,907
Deferred and Prepaid Expenses, Net of Accumulated Amortization	68,042	105,276
Less: Current Portion	36,931	38,146
Deferred and Prepaid Expenses, Net of Current portion	\$ 31,111	\$ 67,130

See independent accountant's review report.

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 – DEFERRED AND PREPAID EXPENSES (continued)

E.H.R. Implementation Cost and Software amortization was \$36,019 and \$34,907 for the years ended December 31, 2013 and 2012, respectively.

NOTE 5 - EQUIPMENT AND IMPROVEMENTS

At December 31, Equipment and Improvements consisted of:

	<u>2013</u>	<u>2012</u>
Medical and Office Equipment	\$ 687,671	\$ 679,790
Leasehold Improvements	<u>554,292</u>	<u>512,268</u>
Total	1,241,963	1,192,058
Less: Accumulated Depreciation and Amortization	<u>1,034,946</u>	<u>947,905</u>
Net	<u>\$ 207,017</u>	<u>\$ 244,153</u>

Depreciation and Amortization Expense was \$87,041 and \$117,226 for the years ended December 31, 2013 and 2012, respectively.

NOTE 6 – INSURANCE RECOVERIES RECEIVABLE AND INSURANCE CLAIMS LIABILITY

The Company maintains malpractice insurance coverage under the terms of an insurance policy with ProSelect Insurance Company, a member company of Coverys. The coverage is for losses, if any, reported during the period the contracts are in force, "claims made coverage," for claims up to an annual maximum of \$2,000,000 per occurrence and \$5,000,000 in the aggregate.

The Company's management believes that they have no liabilities outstanding at December 31, 2013 and 2012 for estimated future payments of asserted and unasserted medical malpractice claims. Therefore, the Company has not recorded a Receivable, or a related Claim liability, for anticipated insurance recoveries at December 31, 2013 and 2012 on its Balance Sheets. Management believes no incidents have occurred or will be asserted that will exceed the Company's insurance coverages or will have a material adverse effect on the Company's Financial position (Note 2).

See independent accountant's review report.

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 7 - NET PATIENT SERVICE REVENUE

Net patient service revenue consisted of the following components for the years ended December 31:

	<u>2013</u>	<u>2012</u>
Gross Ancillary Patient Service Revenue	\$ 7,893,308	\$ 7,814,776
Less: Provision for Contractual Adjustments	<u>(3,984,714)</u>	<u>(3,986,596)</u>
Net	<u>\$ 3,908,594</u>	<u>\$ 3,828,180</u>

Contractual adjustments represent the difference between standard billing rates and amounts estimated to be received under various Health benefit agreements. Provisions for contractual adjustments are recorded in the period in which the services are provided (Note 2).

NOTE 8 - INSURANCE CLAIMS REVENUE

The Company received business interruption insurance recoveries for office closures due to a hurricane during the year ended December 31, 2013.

NOTE 9 - BENEFIT PLANS

Retirement Plan

The Company participates in the Defined Contribution 401(k) Plan maintained by PriMed which includes coverage for substantially all employees of the Company and participation in the employer contributions that PriMed elects during the Plan year. Gastro employees eligible for participating in the 401(k) Plan may contribute up to 100% of their compensation not to exceed applicable regulatory limits. The 401(k) Plan includes a discretionary match, and PriMed opted to match 10% of the employees' contribution up to a maximum of 5% of an employee's compensation for each of the years ended December 31, 2013 and 2012. In addition, PriMed may elect a discretionary profit-sharing contribution allocated based on comparability or cross-tested basis to groups of participants. PriMed has elected a profit-sharing contribution for the years ended December 31, 2013 and 2012. During the year ended December 31, 2007, PriMed amended the plan to include a Safe Harbor provision, whereby PriMed may elect for PriMed and the Company to contribute 3% of eligible employee compensation to the plan on an annual basis in addition to any matching and profit-sharing contributions that may have been approved.

See independent accountant's review report.

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 9 - BENEFIT PLANS (continued)

Retirement Plan (continued)

PriMed has elected a Safe Harbor contribution for the years ended December 31, 2013 and 2012. Total 401(k) Plan contributions for the Company amounted to \$41,992 and \$34,459 for the years ended December 31, 2013 and 2012, respectively.

Health and Other Insurances

The Company offers health, group life and accidental death and dismemberment (AD&D) insurance benefits to eligible full-time regular employees. The Company also offers on a voluntary basis dental, vision, supplemental life and disability insurance to eligible employees which is 100% paid by the employee. The Company participates in a Section 125 Plan established by PriMed for medical, dental, vision and flexible spending accounts payroll deductions to be on a pre-tax basis. The Company pays for a portion of the health insurance and 100% of the group life and AD&D insurance. Eligible employees must elect benefits within the first thirty days of employment. Elections and changes after hire are only allowed annually during the open enrollment period or upon the occurrence of a life event.

Health Savings Account

The Company sponsors a Health Savings Account Plan (HSA) that provides for eligible employees to elect and enroll in an HSA account to cover out of pocket expenses that are approved by the IRS. The amount elected during the open enrollment period is withheld from the employees and deposited in full by the Company with the administrator of the HSA.

The HSA benefit is available to all employees that are covered by one of the Company's high deductible health plan options. The maximum contributions allowed per IRS regulations for employees are \$3,250 for single individuals and \$6,450 for families. An additional \$1,000 catch-up is allowed for employees age 55 and over.

The Company amended its HSA effective January 1, 2011 to include a 100% match of employee contributions up to \$625 annually for employees that have elected to participate in the HSA.

NOTE 10 - RELATED PARTY TRANSACTIONS

Due from PriMed, LLC is primarily from transfers of cash to PriMed offset by reimbursement of certain expenses allocated to Gastro for its operations which are directly paid by Primed.

See independent accountant's review report.

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 11 - PRACTICE MANAGEMENT AGREEMENT

The Company and PriMed have entered into a Practice management agreement (PMA) with MED3000. The PMA provides that the Management fee contain an Ancillary divisions' component for Gastro of 10%. The PMA is currently in effect until December 31, 2021. However, in connection with the potential transaction discussed in Note 14 the PMA may be terminated.

The Management fees for the years ended December 31 were as follows:

	<u>2013</u>	<u>2012</u>
Management Fees	\$ 383,431	\$ 374,267
Sales Tax on Management Fees	7,929	-
Total	<u>\$ 391,360</u>	<u>\$ 374,267</u>

NOTE 12 - COMMITMENTS

The Company leases certain office space used in its operations. Future minimum payments under non-cancelable operating leases for office space and equipment for the next three years as of December 31, 2013 were as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2014	\$ 117,035
2015	117,035
2016	105,633
Total	<u>\$ 339,703</u>

NOTE 13 - CONTINGENCIES

Loan Guarantee

Gastro has issued a written guarantee and substantially all of its assets are pledged to secure borrowings under PriMed's credit facility that originated in December 2009. The outstanding debt balances on PriMed as of December 31, 2013 and 2012 was \$490,427 and \$737,718, respectively.

Litigation

Various suits and claims arising in the normal course of operations are pending or are on appeal against the Company. While the outcome of these suits cannot be determined at this time, management believes that any loss which may arise from the Company's actions will not have a material adverse effect on the Financial position or results of operations.

See independent accountant's review report.

PRIMED GASTROENTEROLOGY, LLC
(Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 13 – CONTINGENCIES (continued)

Other

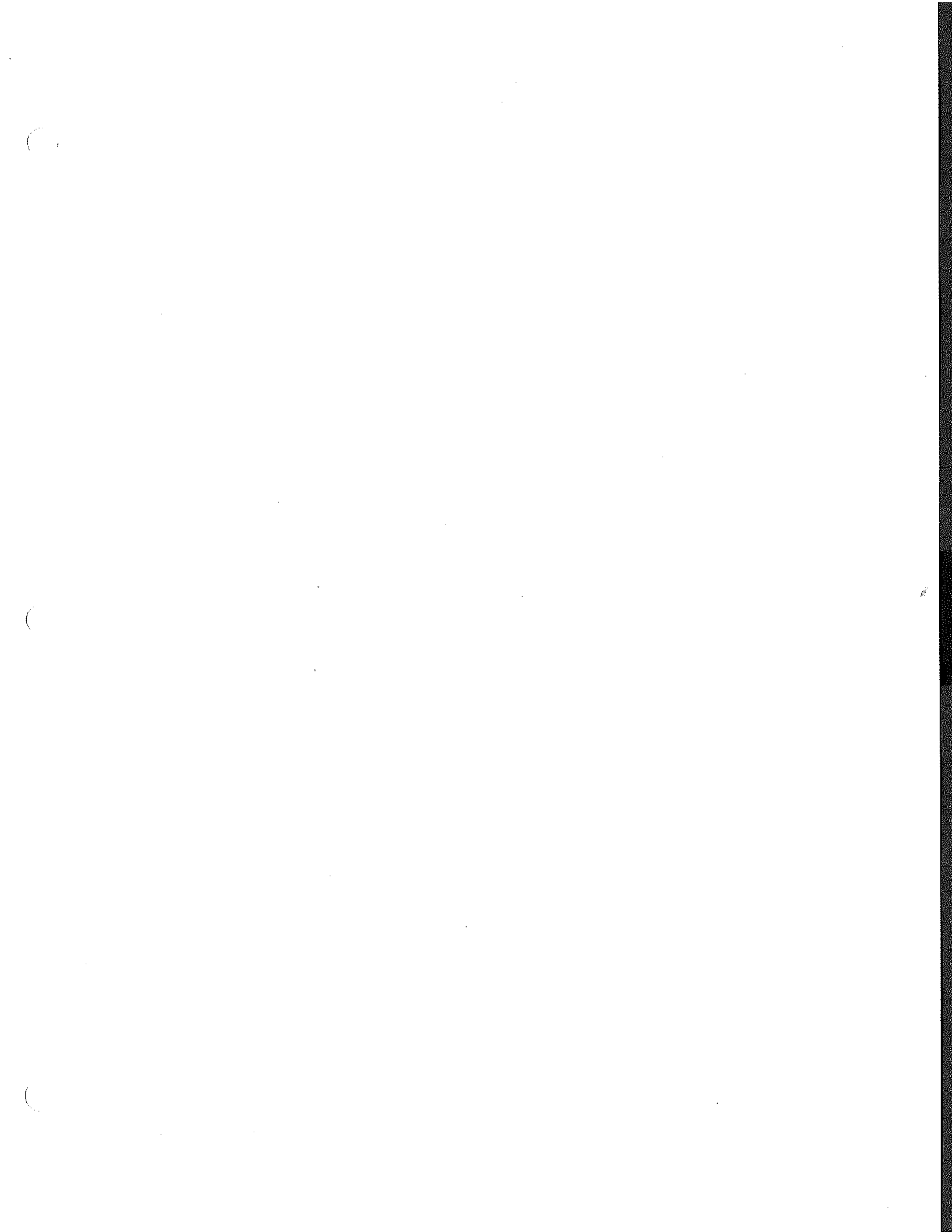
The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Company, if any, are not presently determinable.

NOTE 14 - SUBSEQUENT EVENTS

Transaction

PriMed and the Company are currently engaged in a proposed transaction with another healthcare system, which will include the sale of fixed assets, and the skilled workforce and patient relationships of PriMed, and, 40% of PriMed's ownership interest in Gastro, and for the provision of services to the healthcare system through a long-term professional services agreement with PriMed's Members. The parties have entered into an Asset Purchase Agreement, as well as a Non-Disclosure Agreement. The closing of the transactions contemplated by the Asset Purchase Agreement are subject to various legal, board and regulatory approvals.

It is the intention of both the buyer and the seller of the proposed transaction to obtain the necessary regulatory approvals in order to effect the sale of the remaining 60% interest to the buyer.



ATTACHMENT VIII
FINANCIAL ATTACHMENTS I & II

Northeast Medical Group, Inc.

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description Endoscopy Center
 Type of Unit Description: Procedures
 # of Months in Operation 0

FY 2014
 FY Projected Incremental Total Incremental Expenses: \$0

Total Facility by Payer Category:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
Medicare		\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Medicaid		\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CHAMPUS/TriCare		\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Governmental			0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Insurers		\$	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uninsured			0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NonGovernment		\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total All Payers		\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Northeast Medical Group, Inc.

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description Endoscopy Center
 Type of Unit Description: Procedures
 # of Months in Operation 9

FY 2015 (1) \$1,096,575
 FY Projected Incremental Total Incremental Expenses:

Total Facility by Payer Category:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
Medicare		\$1,200	1,158	\$1,389,600	\$1,143,497			\$246,103	\$216,991	\$29,111
Medicaid		\$1,200	146	\$175,200	\$160,177			\$15,023	\$27,358	(\$12,335)
CHAMPUS/TriCare		\$1,200	0	\$0	\$1,640			(\$1,640)	\$0	(\$1,640)
Total Governmental			1,304	\$1,564,800	\$1,305,314	\$0	\$0	\$259,486	\$244,350	\$15,136
Commercial Insurers	\$	1,200	4,548	\$5,457,600	\$4,077,771			\$1,379,829	\$852,226	\$527,604
Uninsured			32	\$0	\$22,445			(\$22,445)	\$0	(\$22,445)
Total NonGovernment			4,580	\$5,457,600	\$4,100,215	\$0	\$0	\$1,357,385	\$852,226	\$505,159
Total All Payers		\$1,200	5,884	\$7,022,400	\$5,405,529	\$0	\$0	\$1,616,871	\$1,096,575	\$520,295

Northeast Medical Group, Inc.

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description Endoscopy Center
 Type of Unit Description: Procedures
 # of Months in Operation 12

FY 2016
 FY Projected Incremental Total Incremental Expenses: \$1,501,508

Total Facility by Payer Category:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
Medicare		\$1,200	1,158	\$1,389,600	\$1,029,485			\$360,115	\$297,120	\$62,995
Medicaid		\$1,200	146	\$175,200	\$144,206			\$30,994	\$37,461	(\$6,467)
CHAMPUS/TriCare		\$1,200	0	\$0	\$1,476			(\$1,476)	\$0	(\$1,476)
Total Governmental			1,304	\$1,564,800	\$1,175,168	\$0	\$0	\$389,632	\$334,581	\$55,051
Commercial Insurers	\$	1,200	4,548	\$5,457,600	\$3,671,199			\$1,786,401	\$1,166,927	\$619,474
Uninsured			32	\$0	\$20,207			(\$20,207)	\$0	(\$20,207)
Total NonGovernment			4,580	\$5,457,600	\$3,691,406	\$0	\$0	\$1,766,194	\$1,166,927	\$599,267
Total All Payers		\$1,200	5,884	\$7,022,400	\$4,866,574	\$0	\$0	\$2,155,826	\$1,501,508	\$654,318

Northeast Medical Group, Inc.

12.C(iii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Endoscopy Center Procedures	Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
# of Months in Operation	12									
FY 2017										
FY Projected Incremental	\$1,542,039									
Total Incremental Expenses:										
Total Facility by Payer Category:										
Medicare		\$1,200	1,158	\$1,389,600	\$1,029,485			\$360,115	\$305,140	\$54,974
Medicaid		\$1,200	146	\$175,200	\$144,206			\$30,994	\$38,472	(\$7,478)
CHAMPUS/Tricare		\$1,200	0	\$0	\$1,476			(\$1,476)	\$0	(\$1,476)
Total Governmental			1,304	\$1,564,800	\$1,175,168	\$0	\$0	\$389,632	\$343,612	\$46,019
Commercial Insurers		\$ 1,200	4,548	\$5,457,600	\$3,671,198			\$1,786,402	\$1,198,427	\$587,975
Uninsured			32	\$0	\$20,207			(\$20,207)	\$0	(\$20,207)
Total NonGovernment			4,580	\$5,457,600	\$3,691,405	\$0	\$0	\$1,766,195	\$1,198,427	\$567,768
Total All Payers		\$1,200	5,884	\$7,022,400	\$4,866,573	\$0	\$0	\$2,155,827	\$1,542,039	\$613,788

Prifted Gastroenterology

13. B. i. Please provide one year of actual results and three years of projections of **Total Facility** revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

Total Facility: Description	FY 2013 Actual Results		FY 2014 Projected		FY 2014 Projected		FY 2015 Projected		FY 2015 Projected		FY 2016 Projected		FY 2016 Projected		FY 2017 Projected		FY 2017 Projected		
	W/out CON	With CON	W/out CON	With CON	Incremental	With CON	W/out CON	Incremental	With CON	Incremental	W/out CON	Incremental	W/out CON	Incremental	W/out CON	Incremental	W/out CON	Incremental	
NET PATIENT REVENUE																			
Non-Government	\$2,780,108	\$0	\$2,780,108	\$481,173		\$481,173	\$1,924,690	(\$1,443,518)	\$481,173		\$1,924,690	(\$1,924,690)	\$1,924,690	(\$1,924,690)	\$0	\$0	\$0	\$0	
Medicare	\$275,084	\$0	\$275,084	\$47,611		\$47,611	\$190,443	(\$142,832)	\$47,611		\$190,443	(\$190,443)	\$190,443	(\$190,443)	\$0	\$0	\$0	\$0	
Medicaid and Other Medical Assistance	\$58,779	\$0	\$58,779	\$0		\$0	\$40,693	(\$0,520)	\$10,173		\$40,693	(\$40,693)	\$40,693	(\$40,693)	\$0	\$0	\$0	\$0	
Other Government																			
Total Net Patient Revenue	\$3,113,972	\$0	\$3,113,972	\$538,957		\$538,957	\$2,155,826	(\$1,616,870)	\$538,957		\$2,155,826	(\$2,155,826)	\$2,155,826	(\$2,155,826)	\$0	\$0	\$0	\$0	
Other Operating Revenue	\$48,095	\$0	\$48,095	\$0		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Revenue from Operations	\$3,162,067	\$0	\$3,162,067	\$538,957		\$538,957	\$2,155,826	(\$1,616,870)	\$538,957		\$2,155,826	(\$2,155,826)	\$2,155,826	(\$2,155,826)	\$0	\$0	\$0	\$0	
OPERATING EXPENSES																			
Salaries and Fringe Benefits	\$1,117,203	\$0	\$957,362	\$191,120		\$191,120	\$764,479	(\$573,359)	\$191,120		\$763,591	(\$763,591)	\$803,181	(\$803,181)	\$0	\$0	\$0	\$0	
Professional / Contracted Services	\$80,605	\$0	\$49,850	\$9,059		\$9,059	\$36,237	(\$27,178)	\$9,059		\$38,049	(\$38,049)	\$39,951	(\$39,951)	\$0	\$0	\$0	\$0	
Supplies and Drugs	\$369,140	\$0	\$354,993	\$63,284		\$63,284	\$253,137	(\$189,653)	\$63,284		\$260,731	(\$260,731)	\$268,553	(\$268,553)	\$0	\$0	\$0	\$0	
Bad Debts	\$74,285	\$0	\$65,366	\$0		\$0	\$45,233	(\$33,940)	\$11,313		\$45,233	(\$45,233)	\$45,233	(\$45,233)	\$0	\$0	\$0	\$0	
Other Operating Expense	\$600,562	\$0	\$206,535	\$36,819		\$36,819	\$147,275	(\$110,456)	\$36,819		\$151,694	(\$151,694)	\$158,244	(\$158,244)	\$0	\$0	\$0	\$0	
Subtotal	\$2,261,795	\$0	\$1,634,105	\$311,595		\$311,595	\$1,246,381	(\$934,766)	\$311,595		\$1,279,318	(\$1,279,318)	\$1,313,183	(\$1,313,183)	\$0	\$0	\$0	\$0	
Depreciation/Amortization	\$123,050	\$0	\$118,504	\$21,126		\$21,126	\$84,502	(\$63,377)	\$21,126		\$87,038	(\$87,038)	\$89,649	(\$89,649)	\$0	\$0	\$0	\$0	
Interest Expense	\$236	\$0	\$7,239	\$1,291		\$1,291	\$5,182	(\$3,872)	\$1,291		\$5,317	(\$5,317)	\$5,476	(\$5,476)	\$0	\$0	\$0	\$0	
Lease Expense	\$206,273	\$0	\$176,775	\$31,514		\$31,514	\$125,084	(\$94,541)	\$31,514		\$129,836	(\$129,836)	\$133,731	(\$133,731)	\$0	\$0	\$0	\$0	
Total Operating Expenses	\$2,591,364	\$0	\$1,936,624	\$365,525		\$365,525	\$1,462,100	(\$1,096,575)	\$365,525		\$1,501,508	(\$1,501,508)	\$1,542,039	(\$1,542,039)	\$0	\$0	\$0	\$0	
Income (Loss) from Operations	\$1,365,326	\$0	\$1,177,348	\$173,432		\$173,432	\$693,726	(\$520,295)	\$173,432		\$654,318	(\$654,318)	\$613,786	(\$613,786)	\$0	\$0	\$0	\$0	
Non-Operating Income	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Income before provision for income taxes	\$1,365,326	\$0	\$1,177,348	\$173,432		\$173,432	\$693,726	(\$520,295)	\$173,432		\$654,318	(\$654,318)	\$613,786	(\$613,786)	\$0	\$0	\$0	\$0	
Provision for income taxes	\$1,365,326	\$0	\$1,177,348	\$173,432		\$173,432	\$693,726	(\$520,295)	\$173,432		\$654,318	(\$654,318)	\$613,786	(\$613,786)	\$0	\$0	\$0	\$0	
Net Income	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Retained earnings, beginning of year	\$1,365,326	\$1,365,326	\$1,365,326	\$1,365,326		\$1,365,326	\$2,542,674	\$1,365,326	\$2,542,674		\$3,236,400	\$845,031	\$3,890,718	\$190,713	\$4,504,506	\$423,074	\$4,927,580	\$2,716,106	
Retained earnings, end of year	\$1,365,326	\$1,365,326	\$2,542,674	\$2,542,674		\$2,542,674	\$3,236,400	\$845,031	\$2,716,106		\$3,890,718	\$190,713	\$4,504,506	\$423,074	\$4,927,580	\$2,716,106	\$5,350,654	\$2,716,106	
FTEs																			

*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.

Primed Gastroenterology

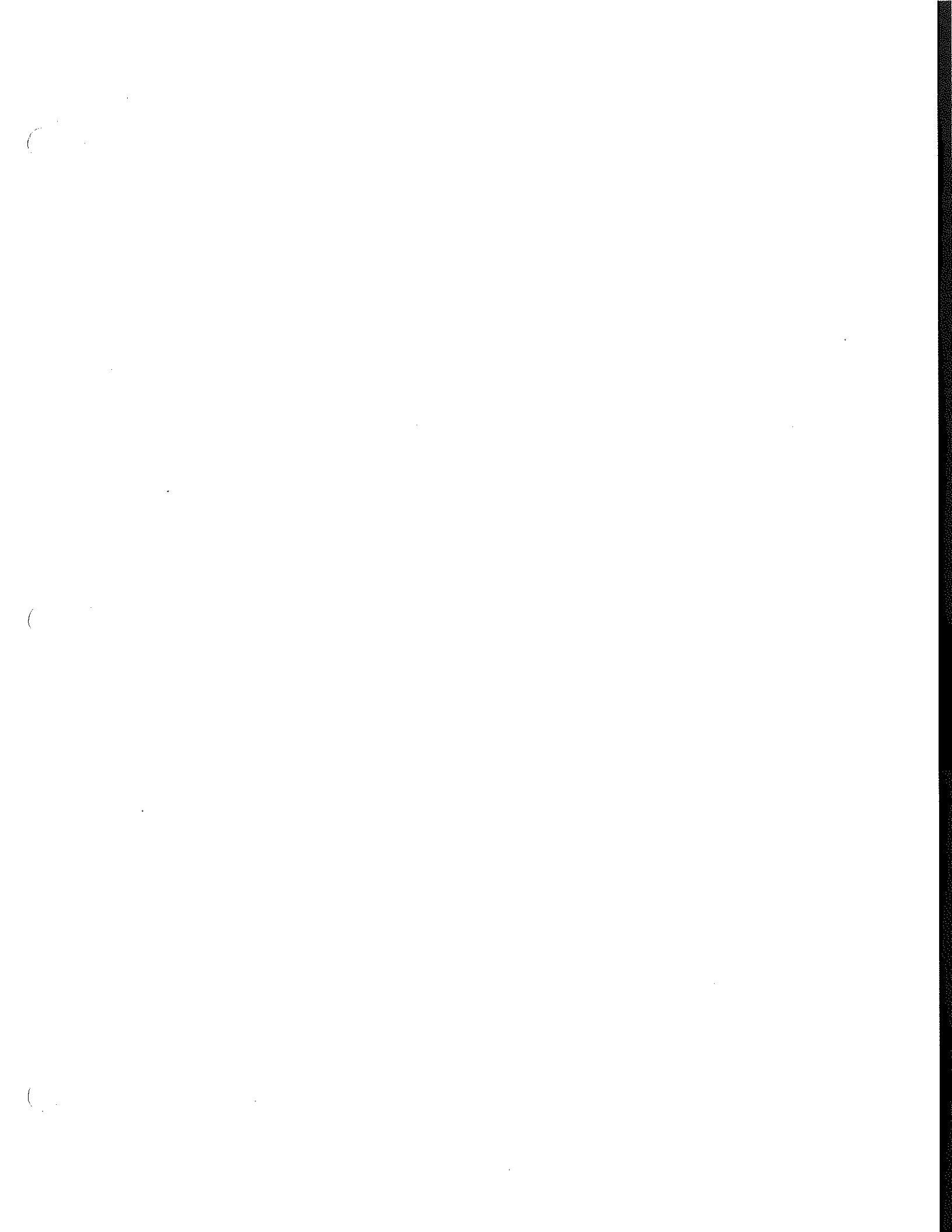
12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Endoscopy Center Procedures	Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total *	Gain/(Loss) from Operations Col. 8 - Col. 9
# of Months in Operation	12									
FY 2014										
FY Projected Incremental										
Total Incremental Expenses:	\$0									
Total Facility by Payer Category:										
Medicare			0	\$0				\$0	\$0	\$0
Medicaid			0	\$0				\$0	\$0	\$0
CHAMPUS/TriCare			0	\$0				\$0	\$0	\$0
Total Governmental			0	\$0				\$0	\$0	\$0
Commercial Insurers			0	\$0				\$0	\$0	\$0
Uninsured			0	\$0				\$0	\$0	\$0
Total NonGovernment			0	\$0				\$0	\$0	\$0
Total All Payers			0	\$0				\$0	\$0	\$0

PriMed Gastroenterology

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Endoscopy Center	Rate	Units	Gross Revenue	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations
# of Months in Operation	Procedures			Col. 2 * Col. 3				Col.4 - Col.5 -Col.6 - Col.7	Col. 4 / Col. 4 Total	Col. 8 - Col. 9
FY 2015										
FY Projected Incremental										
Total Incremental Expenses:	(\$1,096,575)									
Total Facility by Payer Category:										
Medicare		\$162	(3,670)	(\$592,920)	(\$356,780)	\$0	\$0	(\$236,140)	(\$196,820)	(\$39,320)
Medicaid		\$227	(332)	(\$75,446)	(\$49,976)			(\$25,469)	(\$25,044)	(\$425)
CHAMPUS/TriCare		\$92	(10)	(\$925,71)	(\$512)			(\$414)	(\$307)	(\$107)
Total Governmental			(4,012)	(\$669,291)	(\$407,268)	\$0	\$0	(\$262,024)	(\$222,171)	(\$39,852)
Commercial Insurers		\$337	(7,818)	(\$2,634,143)	(\$1,272,295)			(\$1,361,848)	(\$874,404)	(\$487,444)
Uninsured			(1,510)	\$0	(\$7,003)			\$7,003	\$0	\$7,003
Total NonGovernment		\$162	(9,328)	(\$2,634,143)	(\$1,279,298)	\$0	\$0	(\$1,354,845)	(\$874,404)	(\$480,441)
Total All Payers		\$162	(13,340)	(\$3,303,435)	(\$1,686,566)	\$0	\$0	(\$1,616,869)	(\$1,096,575)	(\$520,294)



ATTACHMENT IX

FINANCIAL ASSUMPTIONS

CON Financial Assumptions

PriMed Gastroenterology, LLC:

Change of ownership to NEMG (100%) is assumed to occur on January 1, 2015. Primed Gastroenterology, LLC's fiscal year begins on January 1st and ends on December 31st.

Without the CON:

- 2014 revenues and expenses are annualized based on 6 months actual.
- Revenues and expenses for 2014 reflect a decline due to the change in ownership which occurred on June 1, 2014. NEMG acquired 40% of the endoscopy center on June 1, 2014 and therefore revenues and expenses reflect this change of ownership. Revenues for FY 2015-2017 reflect 60% ownership for PriMed Gastroenterology, LLC in the endoscopy center.
- Revenue per case assumed to remain flat each year.
- Annual inflation rates applied to expenses as follows:
 - o Salaries – 2.5%
 - o Benefits – 2.5%
 - o Professional fees – 5%
 - o Drugs and supplies – 3%
 - o Other expenses – 3%
 - o Lease – 3%
 - o Depreciation – 3%
 - o Interest – 3%

With the CON:

- Beginning January 1, 2015, PriMed Gastroenterology, LLC no longer has any ownership in the endoscopy center. Revenues and expenses are eliminated based on the date.

Northeast Medical Group, Inc. (NEMG):

Northeast Medical Group Inc. fiscal year is October 1 – September 30.

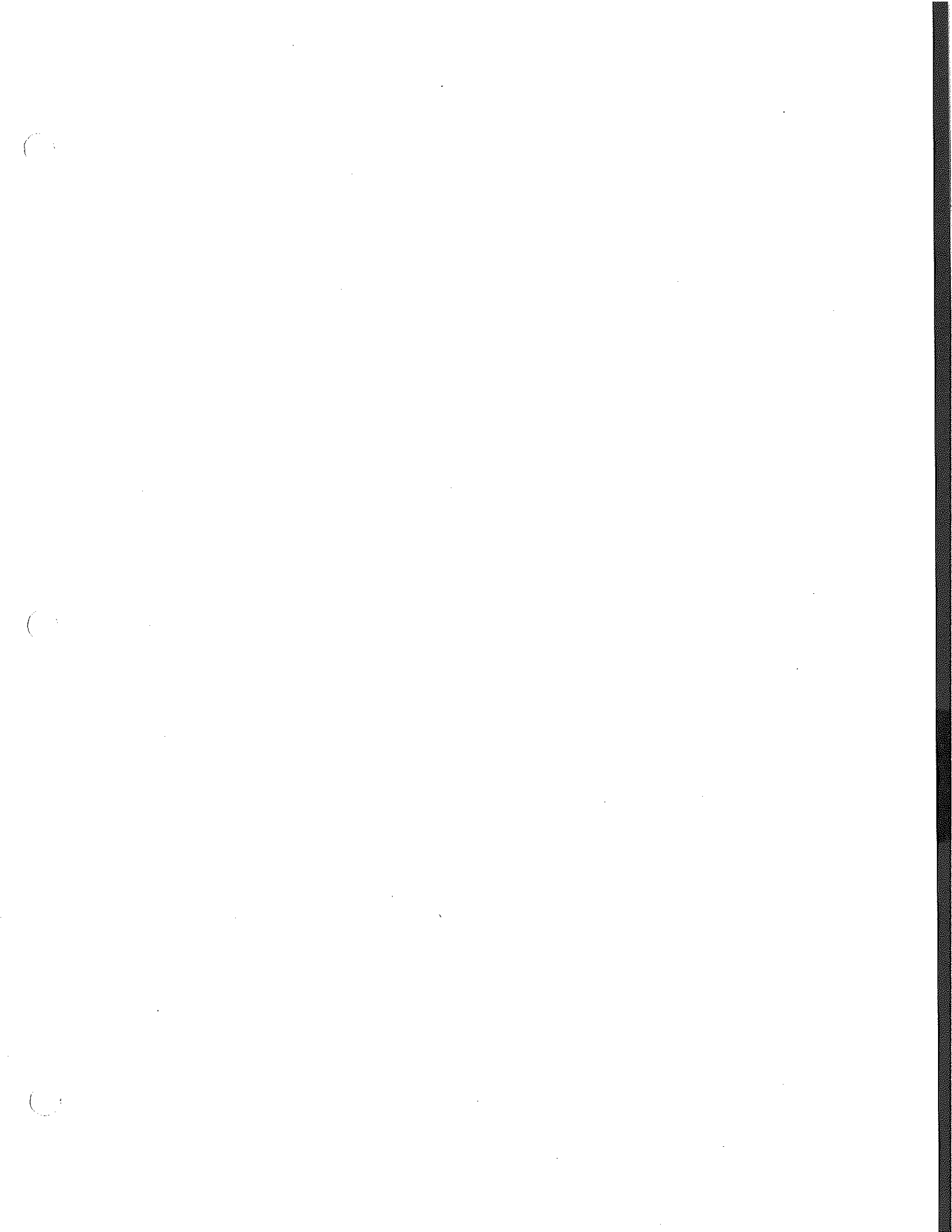
Change of ownership to NEMG (100%) is assumed to occur on January 1, 2015

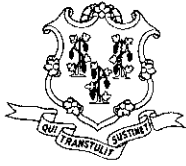
Without the CON:

- . Revenues and expenses assume continued 40% ownership.

With the CON:

- NEMG assumes 100% ownership on January 1, 2015. . Volume assumed to remain flat with no change in revenue per procedure. . Inflation factors applied as note above in PriMed Gastroenterology





STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

September 22, 2014

VIA FAX ONLY

Ms. Nancy Rosenthal
Senior Vice President, Health Systems Development
Northeast Medical Group, Inc.
5 Perryridge Road,
Greenwich, CT 06830

Dr. Arnold DoRosario
Manager
Fairfield County Endoscopy Center
888 White Plains Road, Suite 210
Trumbull, CT 06611

RE: Certificate of Need Application, Docket Number 14-31937-CON
Transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County
Endoscopy Center ("FCEC") to Northeast Medical Group, Inc. ("NEMG").

Dear Ms. Rosenthal and Dr. DoRosario:

On August 25, 2014, the Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") application filing on behalf of FCEC and NEMG ("Applicants") proposing to transfer ownership of FCEC to NEMG, with an associated capital expenditure of \$5,500,000.

OHCA has reviewed the CON application pursuant to Connecticut General Statutes §19a-639a(c) and requests the following additional information:

1. Provide additional detail/evidence to support clear public need for this proposal. How will patients and the community benefit from NEMG's acquisition of the endoscopy center?
2. On the bottom of page 17 of the application, it states that "As a matter of policy, in most circumstances Yale New Haven Health System prohibits physicians who are part of NEMG from having ownership interests in facilities such as FCEC." Please elaborate further on this statement and explain how it relates to this proposal.

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

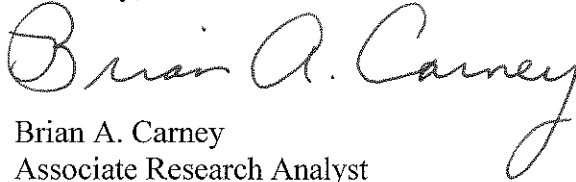
3. The first paragraph on page 18 states that “Unless NEMG owns 100% of FCEC, the center cannot benefit from these efficiencies.” Please elaborate on this statement and describe why these efficiencies are not achievable without 100% NEMG ownership of FCEC.
4. On page 19 the application states that “...NEMG will not seek to move FCEC to the NEMG fee schedule.” Please respond to the following:
 - a. How long will the existing FCEC fee schedule be maintained?
 - b. Do the rates charged by FCEC differ from those charged by NEMG? If so, please explain.
 - c. If the transfer were approved, will NEMG be charging any type of facility fee on the services performed at FCEC?
5. Please update Table 1 on page 21 of the application to include actual volume to date of GI procedures performed in FY 2014.
6. Please revise Table 6 on page 27 of the application to reflect the updated FY 2014 volume to date and revise FY 2015 and FY 2016 to match the projected volumes listed on page 22.
7. With the proposed transfer of ownership, NEMG would have 100% controlling interest of FCEC. Please explain how the control and governance of the endoscopy center will be determined following the transfer (note any changes to existing policies).
8. With respect to the proposal’s cost effectiveness, the CON application states on page 29 that NEMG will bring a number of efficiencies and cost savings to FCEC, including: the Epic electronic medical record system and practice management system, infrastructure for billing, compliance and other essential data management requirements, and lower purchase prices for medical supplies. Please respond to the following:
 - a. Provide an itemization of anticipated cost savings attributable to these items.
 - b. Have the anticipated cost savings been incorporated in NEMG’s Financial Attachment I? If no, please revise to include these projected savings.
9. Despite the positive incremental gains anticipated by the acquisition of FCEC, NEMG projects substantial and increasing losses from operations in FY 2015 (\$59,275,011), FY 2016 (\$68,544,814) and FY 2017 (\$78,358,839). What effect with these projected operating losses have on NEMG’s future ability to operate the Fairfield County Endoscopy Center?

In responding to the questions contained in this letter, please repeat each question before providing your response. Paginate and date your response, i.e., each page in its entirety. Information filed after the initial CON application submission (e.g., completeness response letter, prefile testimony, late file submissions and the like) must be numbered sequentially from the Applicant’s document preceding it. Please begin your submission using **Page 140** and reference “**Docket Number: 14-31937-CON.**” Submit one (1) original and three (3) hard copies of your response. In addition, please submit a scanned copy of your response, in an Adobe format (.pdf) including all attachments on CD. If available, a copy of the response in MS Word should also be copied to the CD.

Pursuant to Section 19a-639a(c) of the Connecticut General Statutes, you must submit your response to this request for additional information no later than sixty days after the date that this request was transmitted. Therefore, please provide your written responses to OHCA no later than **November 21, 2014**, otherwise your application will be automatically considered withdrawn.

If you have any questions concerning this letter, please feel free to contact me at (860) 418-7014 or Ron Ciesones at (860) 418-7030.

Sincerely,

A handwritten signature in cursive script that reads "Brian A. Carney". The signature is written in black ink and is positioned above the typed name and title.

Brian A. Carney
Associate Research Analyst

* * * COMMUNICATION RESULT REPORT (SEP. 22. 2014 3:51PM) * * *

FAX HEADER:

TRANSMITTED/STORED : FILE MODE	SEP. 22. 2014 3:51PM OPTION	ADDRESS	RESULT	PAGE
629	MEMORY TX	92038634736	OK	4/4

REASON FOR ERROR
 E-1) HANG UP OR LINE FAIL
 E-3) NO ANSWER
 E-2) BUSY
 E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
 OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: MS. NANCY ROSENTHAL

FAX: (203) 863-4736

AGENCY: NORTHEAST MEDICAL GROUP, INC.

FROM: OHCA

DATE: 7/22/14 **Time:** _____

NUMBER OF PAGES: 4
(including transmittal sheet)

Comments: Completeness Letter for Docket Number: 14-31937

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS

Phone: (860) 418-7001 Fax: (860) 418-7053

**410 Capitol Ave., MS#13HCA
 P.O.Box 340308
 Hartford, CT 06134**

* * * COMMUNICATION RESULT REPORT (SEP. 22. 2014 3:53PM) * * *

FAX HEADER:

TRANSMITTED/STORED : SEP. 22. 2014 3:51PM
FILE MODE OPTION

ADDRESS

RESULT

PAGE

630 MEMORY TX

92033741549

OK

4/4

REASON FOR ERROR
E-1) HANG UP OR LINE FAIL
E-3) NO ANSWER

E-2) BUSY
E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DR. ARNOLD DOROSARIO
FAX: (203) 374-1549
AGENCY: FAIRFIELD COUNTY ENDOSCOPY CENTER
FROM: OHCA
DATE: 7/22/14 Time: _____
NUMBER OF PAGES: 4
(including transmittal sheet)

Comments: Completeness Letter for Docket Number: 14-31937

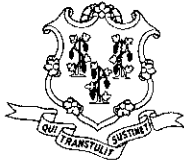
PLEASE PHONE
TRANSMISSION PROBLEMS

IF THERE ARE ANY

Phone: (860) 418-7001

Fax: (860) 418-7053

410 Capitol Ave., MS#13HCA
P.O.Box 340308
Hartford, CT 06134



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

September 22, 2014

VIA FAX ONLY

Ms. Nancy Rosenthal
Senior Vice President, Health Systems Development
Northeast Medical Group, Inc.
5 Perryridge Road,
Greenwich, CT 06830

Dr. Arnold DoRosario
Manager
Fairfield County Endoscopy Center
888 White Plains Road, Suite 210
Trumbull, CT 06611

RE: Certificate of Need Application, Docket Number 14-31937-CON
Transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County
Endoscopy Center ("FCEC") to Northeast Medical Group, Inc. ("NEMG").

Dear Ms. Rosenthal and Dr. DoRosario:

On August 25, 2014, the Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") application filing on behalf of FCEC and NEMG ("Applicants") proposing to transfer ownership of FCEC to NEMG, with an associated capital expenditure of \$5,500,000.

OHCA has reviewed the CON application pursuant to Connecticut General Statutes §19a-639a(c) and requests the following additional information:

1. Provide additional detail/evidence to support clear public need for this proposal. How will patients and the community benefit from NEMG's acquisition of the endoscopy center?
2. On the bottom of page 17 of the application, it states that "As a matter of policy, in most circumstances Yale New Haven Health System prohibits physicians who are part of NEMG from having ownership interests in facilities such as FCEC." Please elaborate further on this statement and explain how it relates to this proposal.

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

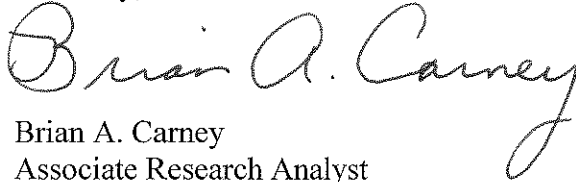
3. The first paragraph on page 18 states that “Unless NEMG owns 100% of FCEC, the center cannot benefit from these efficiencies.” Please elaborate on this statement and describe why these efficiencies are not achievable without 100% NEMG ownership of FCEC.
4. On page 19 the application states that “...NEMG will not seek to move FCEC to the NEMG fee schedule.” Please respond to the following:
 - a. How long will the existing FCEC fee schedule be maintained?
 - b. Do the rates charged by FCEC differ from those charged by NEMG? If so, please explain.
 - c. If the transfer were approved, will NEMG be charging any type of facility fee on the services performed at FCEC?
5. Please update Table 1 on page 21 of the application to include actual volume to date of GI procedures performed in FY 2014.
6. Please revise Table 6 on page 27 of the application to reflect the updated FY 2014 volume to date and revise FY 2015 and FY 2016 to match the projected volumes listed on page 22.
7. With the proposed transfer of ownership, NEMG would have 100% controlling interest of FCEC. Please explain how the control and governance of the endoscopy center will be determined following the transfer (note any changes to existing policies).
8. With respect to the proposal’s cost effectiveness, the CON application states on page 29 that NEMG will bring a number of efficiencies and cost savings to FCEC, including: the Epic electronic medical record system and practice management system, infrastructure for billing, compliance and other essential data management requirements, and lower purchase prices for medical supplies. Please respond to the following:
 - a. Provide an itemization of anticipated cost savings attributable to these items.
 - b. Have the anticipated cost savings been incorporated in NEMG’s Financial Attachment I? If no, please revise to include these projected savings.
9. Despite the positive incremental gains anticipated by the acquisition of FCEC, NEMG projects substantial and increasing losses from operations in FY 2015 (\$59,275,011), FY 2016 (\$68,544,814) and FY 2017 (\$78,358,839). What effect with these projected operating losses have on NEMG’s future ability to operate the Fairfield County Endoscopy Center?

In responding to the questions contained in this letter, please repeat each question before providing your response. Paginate and date your response, i.e., each page in its entirety. Information filed after the initial CON application submission (e.g., completeness response letter, prefile testimony, late file submissions and the like) must be numbered sequentially from the Applicant’s document preceding it. Please begin your submission using **Page 140** and reference “**Docket Number: 14-31937-CON.**” Submit one (1) original and three (3) hard copies of your response. In addition, please submit a scanned copy of your response, in an Adobe format (.pdf) including all attachments on CD. If available, a copy of the response in MS Word should also be copied to the CD.

Pursuant to Section 19a-639a(c) of the Connecticut General Statutes, you must submit your response to this request for additional information no later than sixty days after the date that this request was transmitted. Therefore, please provide your written responses to OHCA no later than **November 21, 2014**, otherwise your application will be automatically considered withdrawn.

If you have any questions concerning this letter, please feel free to contact me at (860) 418-7014 or Ron Ciesones at (860) 418-7030.

Sincerely,

A handwritten signature in cursive script that reads "Brian A. Carney". The signature is written in black ink and is positioned above the typed name and title.

Brian A. Carney
Associate Research Analyst

* * * COMMUNICATION RESULT REPORT (SEP. 22. 2014 3:51PM) * * *

FAX HEADER:

TRANSMITTED/STORED : FILE MODE	SEP. 22. 2014 3:51PM OPTION	ADDRESS	RESULT	PAGE
629	MEMORY TX	92038634736	OK	4/4

REASON FOR ERROR
 E-1) HANG UP OR LINE FAIL
 E-3) NO ANSWER
 E-2) BUSY
 E-4) NO FACSIMILE CONNECTION



**STATE OF CONNECTICUT
 OFFICE OF HEALTH CARE ACCESS**

FAX SHEET

TO: MS. NANCY ROSENTHAL

FAX: (203) 863-4736

AGENCY: NORTHEAST MEDICAL GROUP, INC.

FROM: OHCA

DATE: 7/22/14 **Time:** _____

NUMBER OF PAGES: 4
(including transmittal sheet)

Comments: Completeness Letter for Docket Number: 14-31937

**PLEASE PHONE IF THERE ARE ANY
 TRANSMISSION PROBLEMS**

Phone: (860) 418-7001 Fax: (860) 418-7053

**410 Capitol Ave., MS#13HCA
 P.O.Box 340308
 Hartford, CT 06134**

* * * COMMUNICATION RESULT REPORT (SEP. 22. 2014 3:53PM) * * *

FAX HEADER:

TRANSMITTED/STORED : SEP. 22. 2014 3:51PM
FILE MODE OPTION

ADDRESS

RESULT

PAGE

630 MEMORY TX

92033741549

OK

4/4

REASON FOR ERROR
E-1) HANG UP OR LINE FAIL
E-3) NO ANSWER

E-2) BUSY
E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DR. ARNOLD DOROSARIO
FAX: (203) 374-1549
AGENCY: FAIRFIELD COUNTY ENDOSCOPY CENTER
FROM: OHCA
DATE: 7/22/14 Time: _____
NUMBER OF PAGES: 4
(including transmittal sheet)

Comments: Completeness Letter for Docket Number: 14-31937

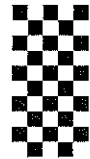
PLEASE PHONE
TRANSMISSION PROBLEMS

IF THERE ARE ANY

Phone: (860) 418-7001

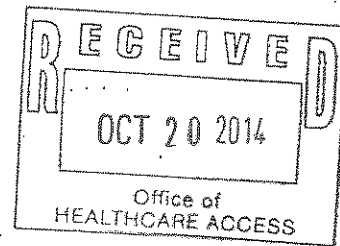
Fax: (860) 418-7053

410 Capitol Ave., MS#13HCA
P.O.Box 340308
Hartford, CT 06134



YALE NEW HAVEN HEALTH

Planning
2 Howe Street, 3rd Floor
New Haven, CT 06519
Phone: (203) 688-2609
Fax: (203) 688-5013



Fax Transmission Sheet

Kimberly Martone
OHCA

From: Nancy Rosenthal, YNHH

Fax: (860) 418-7053

Date: 10/20/14

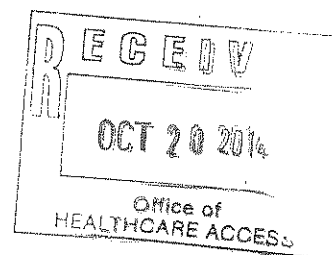
Pages: 13, including cover sheet

This message originates from Yale New Haven Health System. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you.



October 17, 2014

Ms. Kimberly Martone
Director of Operations
Office of Healthcare Access
410 Capitol Avenue
MS #13HCA
P.O. Box 340308
Hartford, CT 06106



Re: Northeast Medical Group, Inc. and PriMed Gastroenterology, LLC
Transfer of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center (FCEC) to Northeast Medical Group, Inc. (NEMG)
Docket Number: 14-31937-CON

Dear Ms. Martone:

Enclosed please find the original, three (3) hard copies, and an electronic copy on CD of responses to completeness questions associated with the above referenced Certificate of Need application.

Please do not hesitate to contact me with any questions or concerns. I can be reached at (203) 863-3908. Thank you for your time and support of this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nancy Rosenthal'.

Nancy Rosenthal
Senior Vice President – Health Systems Development

Enclosures

Copy to: Brian A. Carney, Associate Research Analyst

789 Howard Avenue
New Haven, CT 06519

Certificate of Need Application
Docket Number 14-31937-CON

Transfer of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center ("FCEC")
to Northeast Medical Group, Inc. ("NEMG")

Responses to Completeness Questions

October 20, 2014

**Certificate of Need Application, Docket Number 14-31937-CON
Transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County
Endoscopy Center ("FCEC") to Northeast Medical Group, Inc. ("NEMG")**

Responses to Completeness Questions

1. Provide additional detail/evidence to support clear public need for this proposal. How will patients and the community benefit from NEMG's acquisition of the endoscopy center?

Response

Patients and the community will benefit from NEMG's acquisition of the endoscopy center based on the following points:

- **PriMed did not have a self-pay fee schedule in place for patients without health insurance. Such patients seeking to have a procedure at the endoscopy center were subject to the facility's charges. A private pay fee schedule has been developed by NEMG and takes into account the patient's annual income. Patient without insurance will benefit from NEMG's self-pay fee schedule.**
 - **Currently, as part of YNHHS' efforts to manage health care across the continuum and to develop a more integrated health care delivery system, NEMG physicians are only permitted to refer patients in need of endoscopy to one of YNHHS' hospital-based endoscopy departments at Yale-New Haven, Bridgeport, or Greenwich Hospitals (unless certain exceptions apply). The addition of a free-standing endoscopy center to YNHHS and NEMG may provide a lower cost and for some a more convenient option for obtaining an endoscopy procedure, as NEMG physicians will be permitted to refer patients to the endoscopy center once it is wholly owned by NEMG.**
2. On the bottom of page 17 of the application, it states that "As a matter of policy, in most circumstances Yale New Haven Health System prohibits physicians who are part of NEMG from having ownership interests in facilities such as FCEC." Please elaborate further on this statement and explain how it relates to this proposal.

Response

Yale New Haven Health System (of which NEMG is a part) has been advised by its antitrust counsel that allowing physicians who join NEMG to retain ownership interests in outside health care providers presents risks under the antitrust laws, because this separate ownership could be seen as destroying the "unity of interests" that must be present in order for NEMG to jointly contract with payers for the services of its physicians. As a result, NEMG generally requires physicians to divest themselves of any ownership interest in facilities such as FCEC that bill and receive payment from third party payers.

3. The first paragraph on page 18 states that "Unless NEMG owns 100% of FCEC, the center cannot benefit from these efficiencies" Please elaborate on this statement and describe why these efficiencies are not achievable without 100% NEMG ownership of FCEC.

Response

Unless FCEC is fully owned by NEMG, the endoscopy center cannot benefit from infrastructure and cost savings offered by NEMG. A non-for-profit entity providing services to a for-profit entity with physician ownership must, by law, provide these services at fair market value. In addition, many of the discounts that YNHHS has negotiated with suppliers and vendors can only be used for wholly owned subsidiaries and other entities that are fully part of YNHHS. Unless NEMG fully owns FCEC, NEMG would have to charge market rates for any infrastructure, purchasing, or other services it provides, and it would not be able to pass many of the discounts it receives from its vendors. If this were the case, FCEC could not achieve the efficiencies outlined in the CON application.

4. On page 19 the application states that " ...NEMG will not seek to move FCEC to the NEMG fee schedule." Please respond to the following:
- How long will the existing FCEC fee schedule be maintained?

Response

NEMG has provided notice to the payers that the PriMed transaction will maintain a revenue neutral position and that any rate increase will be part of the normal course of contract renewals that are individual to each health plan. As an example, FCEC will assign the Anthem FCEC agreement to NEMG and operate with the existing fee schedule until the Anthem renewal date at NEMG is ready for negotiation. NEMG will then negotiate a blended rate schedule at a revenue neutral basis and then negotiate a rate increase for all the services provided that is reasonable for both parties.

- Do the rates charged by FCEC differ from those charged by NEMG? If so, please explain.

Response

The fee schedule that FCEC has negotiated with its payers is considered competitively sensitive information under the antitrust laws, and so NEMG is not permitted know the rates of FCEC and will not be privy to this information until the transaction is consummated. For this reason, NEMG will plan to assign the PriMed FCEC fee schedule to preserve a revenue neutral status. FCEC may be able to provide this information to OHCA under separate cover.

- If the transfer were approved, will NEMG be charging any type of facility fee on the services performed at FCEC?

Response

FCEC currently bills a facility rate (but not a hospital facility fee), as will NEMG. The method of billing, ambulatory surgery billing, which includes professional and technical components, will be the same under NEMG ownership.

5. Please update Table 1 on page 21 of the application to include actual volume to date of the procedures performed in FY 2014.

Response

Table 1 on page 21 of the application has been updated to include the actual volume to date of procedures performed in FY 2014

TABLE 1
HISTORICAL UTILIZATION BY SERVICE

Service**	Actual Volume (Last 3 Completed FYs)			CFY Volume*
	FY 2011	FY 2012	FY 2013	FY 2014
GI Procedures ¹	5,504	5,657	5,863	6,004
Total	5,504	5,657	5,863	6,004

6. Please revise Table 6 on page 27 of the application to reflect the updated FY 2014 volume to date and revise FY 2015 and FY 2016 to match the projected volumes listed on page 22.

Response

Table 6 on page 27 of the application has been updated to reflect FY 2014 volume to date. FY 2015 and FY 2016 have been updated as well.

TABLE 6
APPLICANT'S CURRENT & PROJECTED PAYER MIX

Payer	Most Recently Completed FY 2013*		Projected					
			FY 2014 ^A		FY 2015		FY 2016	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare*	1,811	31%	1,854	31%	1,854	31%	1,854	31%
Medicaid*	121	2%	166	3%	166	3%	166	3%
CHAMPUS & TriCare	1	0%	0	0%	0	0%	0	0%
Total Government	1,172	33%	2,020	34%	2,020	34%	2,020	34%
Commercial	3,910	67%	3,955	66%	3,955	66%	3,955	66%

Payer	Most Recently Completed FY 2013*		Projected					
			FY 2014 ^A		FY 2015		FY 2016	
	Volume	%	Volume	%	Volume	%	Volume	%
Insurers								
Uninsured	20	0%	29	0%	29	0%	29	0%
Workers Compensation	0	0%	0	0%	0	0%	0	0%
Total Non-Government	4,691	67%	3,984	66%	3,984	66%	3,984	66%
Total Payer Mix	5,863	100%	6,004	100%	6,004	100%	6,004	100%

*Please note that 2013 figures were adjusted to add in managed Medicare to the Medicare category. It was previously included in Commercial in error.

7. With the proposed transfer of ownership, NEMG would have 100% controlling interest of FCEC. Please explain how the control and governance of the endoscopy center will be determined following the transfer (note any changes to existing policies).

Response

If the CON is approved, NEMG would close on the acquisition of the remaining 60% interest in PriMed Gastroenterology, LLC, and would become the sole member of that LLC. To avoid the burdens of maintaining a separate entity (separate board, insurance, bank accounts, etc.), it is NEMG's intention to transfer the license and assets from PriMed Gastroenterology, LLC to NEMG and then dissolve the LLC. NEMG would coordinate with DPH regarding the necessary licensure changes for this change in ownership. NEMG would then hold the license for the FCEC and would operate the FCEC directly, rather than through a subsidiary LLC. By dissolving the separate LLC and transferring its assets to NEMG, the FCEC can be run more efficiently, without the need for separate financial statements, tax and corporate filings and board meetings. The operations of the FCEC also will benefit from NEMG's tax-exempt status with respect to purchasing. Once the LLC is dissolved and the assets are transferred, the NEMG Board of Trustees will be the governing body for the FCEC. The NEMG Board consists of physician and hospital representatives from across Yale New Haven Health System, and a substantial majority of the Board is made up of physicians (including two former PriMed physicians). Once the FCEC has been fully integrated into NEMG, all NEMG policies and procedures (including human resources, financial assistance and related policies) will fully apply at the site, as they do at other NEMG locations. To the extent FCEC has policies that are specific to an endoscopy center, NEMG will review those policies and make any changes before adopting them as NEMG policies.

8. With respect to the proposal's cost effectiveness, the CON application states on page 29 that NEMG will bring a number of efficiencies and cost savings to FCEC, including: the Epic electronic medical record system and practice management system, infrastructure for billing,

compliance and other essential data management requirements, and lower purchase prices for medical supplies. Please respond to the following:

- a. Provide an itemization of anticipated cost savings attributable to these items.

Response

Listed below is an itemization of the anticipated cost savings:

- \$80,000 savings on related to current management fee with Med3000 once FCEC moves to the NEMG contract.
 - \$20,000 savings related current electronic medical record system once FCEC transitions to EPIC
 - \$35,000 savings from supplies once FCEC moves to YNHHS vendor contracts. (This amount is estimated at 10% reduction from current expense level)
- b. Have the anticipated cost savings been incorporated in NEMG's Financial Attachment I? If no, please revise to include these projected savings.

Response

NEMG's Financial Attachment I has been revised to reflect the costs savings noted in response to question 8a. Please see Attachment I.

9. Despite the positive incremental gains anticipated by the acquisition of FCEC, NEMG projects substantial and increasing losses from operations in FY 2015 (\$59,275,011), FY 2016 (\$68,544,814) and FY 2017 (\$78,358,839). What effect will these projected operating losses have on NEMG's future ability to operate the Fairfield County Endoscopy Center?

Response

The endoscopy center will be operated as a separate cost center within NEMG. The center is expected to generate annual gains from operations. The projected financial performance of the endoscopy center will ensure its continued ability to operate irrespective of any projected losses for NEMG overall.

ATTACHMENT I

REVISED FINANCIAL ATTACHMENTS

Northeast Medical Group, Inc.

PAGE 147

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description: Endoscopy Center
 Type of Unit Description: Procedures
 # of Months in Operation: 5

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col. 4 - Col. 5 -Col. 6 - Col. 7	Operating Expenses Col. 1 Total *	Gain/(Loss) from Operations Col. 8 - Col. 9
FY 2015										
FY Projected Incremental										
Total Incremental Expenses:	\$995,325									
Total Facility by Payer Category:										
Medicare		\$1,200	1,391	\$1,668,600	\$1,236,183			\$432,417	\$306,857	\$125,561
Medicaid		\$1,200	125	\$149,400	\$122,971			\$26,429	\$27,475	(\$1,045)
CHAMPUS/Tricare		\$1,200	0	\$0	\$0			\$0	\$0	\$0
Total Governmental			1,515	\$1,818,000	\$1,359,153	\$0	\$0	\$458,847	\$334,331	\$124,516
Commercial Insurers		\$1,200	2,966	\$3,559,500	\$2,904,301			\$1,165,109	\$554,584	\$510,514
Uninsured		\$1,200	29	\$34,800	\$34,800			\$0	\$6,400	(\$6,400)
Total NonGovernment			2,995	\$3,594,300	\$2,429,191	\$0	\$0	\$1,165,109	\$560,984	\$504,115
Total All Payers			4,510	\$5,412,300	\$3,788,344	\$0	\$0	\$1,623,956	\$995,325	\$628,630

Northeast Medical Group, Inc.

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description Type of Unit Description: # of Months in Operation	(1) Endoscopy Center Procedures 12	(2) Rate	(3) Units	(4) Gross Revenue Col. 2 * Col. 3	(5) Allowances/ Deductions	(6) Charity Care	(7) Bad Debt	(8) Net Revenue Col. 4 - Col. 5 -Col.6 - Col.7	(9) Operating Expenses Col. 1 Total *	(10) Gain/(Loss) from Operations Col. 8 - Col. 9
FY 2016										
FY Projected Incremental										
Total Incremental Expenses:										
Total Facility by Payer Category:										
Medicare		\$1,200	1,854	\$2,224,800	\$1,645,243			\$576,557	\$421,970	\$154,587
Medicaid		\$1,200	166	\$199,200	\$163,951			\$35,239	\$37,782	(\$2,542)
CHAMPUS/Tricare		\$1,200	D	\$0	\$0			\$0	\$0	\$0
Total Governmental			2,020	\$2,424,000	\$1,812,204	\$0	\$0	\$611,796	\$459,751	\$152,045
Commercial Insurers		\$1,200	3,955	\$4,746,000	\$3,192,522			\$1,553,478	\$900,156	\$653,322
Uninsured		\$1,200	29	\$34,800	\$34,800			\$0	\$6,600	(\$6,600)
Total NonGovernment			3,984	\$4,780,800	\$3,227,322	\$0	\$0	\$1,553,478	\$906,757	\$646,721
Total All Payers			6,004	\$7,204,800	\$5,039,526	\$0	\$0	\$2,165,274	\$1,366,508	\$798,766

Northeast Medical Group, Inc.

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Rate	Units	Gross Revenue	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations	
# of Months in Operation			Col. 2 * Col. 3				Col. 4 - Col. 5 - Col. 6 - Col. 7	Col. 1 Total * Col. 4 / Col. 4 Total	Col. 8 - Col. 9	
FY 2017										
Type of Unit Description:	Endoscopy Center Procedures									
# of Months in Operation	12									
FY Projected Incremental Total Incremental Expenses:	\$1,407,039									
Total Facility by Payer Category:										
Medicare		1,854	\$2,224,800	\$1,646,243			\$576,557	\$434,485	\$142,071	
Medicaid		166	\$199,200	\$163,961			\$35,239	\$38,902	(\$3,663)	
CHAMPUS/Tricare		0	\$0	\$0			\$0	\$0	\$0	
Total Governmental		2,020	\$2,424,000	\$1,812,204	\$0	\$0	\$511,796	\$473,387	\$138,408	
Commercial Insurers		3,955	\$4,746,000	\$3,192,522			\$1,553,478	\$926,855	\$626,623	
Uninsured		29	\$34,800	\$34,800			\$0	\$6,796	(\$6,796)	
Total NonGovernment		3,984	\$4,780,800	\$3,227,322	\$0	\$0	\$1,553,478	\$933,651	\$619,827	
Total All Payers		6,004	\$7,204,800	\$5,039,526	\$0	\$0	\$2,165,274	\$1,407,039	\$758,235	

October 17, 2014

Ms. Kimberly Martone
Director of Operations
Office of Healthcare Access
410 Capitol Avenue
MS #13HCA
P.O. Box 340308
Hartford, CT 06106



Re: Northeast Medical Group, Inc. and PriMed Gastroenterology, LLC
Transfer of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center (FCEC) to Northeast Medical Group, Inc. (NEMG)
Docket Number: 14-31937-CON

Dear Ms. Martone:

Enclosed please find the original, three (3) hard copies, and an electronic copy on CD of responses to completeness questions associated with the above referenced Certificate of Need application.

Please do not hesitate to contact me with any questions or concerns. I can be reached at (203) 863-3908. Thank you for your time and support of this project.

Sincerely,



Nancy Rosenthal
Senior Vice President – Health Systems Development

Enclosures

Copy to: Brian A. Carney, Associate Research Analyst

Certificate of Need Application
Docket Number 14-31937-CON

Transfer of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center ("FCEC")
to Northeast Medical Group, Inc. ("NEMG")

Responses to Completeness Questions

October 20, 2014

**Certificate of Need Application, Docket Number 14-31937-CON
Transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County
Endoscopy Center ("FCEC") to Northeast Medical Group, Inc. ("NEMG")**

Responses to Completeness Questions

1. Provide additional detail/evidence to support clear public need for this proposal. How will patients and the community benefit from NEMG's acquisition of the endoscopy center?

Response

Patients and the community will benefit from NEMG's acquisition of the endoscopy center based on the following points:

- **PriMed did not have a self-pay fee schedule in place for patients without health insurance. Such patients seeking to have a procedure at the endoscopy center were subject to the facility's charges. A private pay fee schedule has been developed by NEMG and takes into account the patient's annual income. Patient without insurance will benefit from NEMG's self-pay fee schedule.**
 - **Currently, as part of YNHHS' efforts to manage health care across the continuum and to develop a more integrated health care delivery system, NEMG physicians are only permitted to refer patients in need of endoscopy to one of YNHHS' hospital-based endoscopy departments at Yale-New Haven, Bridgeport, or Greenwich Hospitals (unless certain exceptions apply). The addition of a free-standing endoscopy center to YNHHS and NEMG may provide a lower cost and for some a more convenient option for obtaining an endoscopy procedure, as NEMG physicians will be permitted to refer patients to the endoscopy center once it is wholly owned by NEMG.**
2. On the bottom of page 17 of the application, it states that "As a matter of policy, in most circumstances Yale New Haven Health System prohibits physicians who are part of NEMG from having ownership interests in facilities such as FCEC." Please elaborate further on this statement and explain how it relates to this proposal.

Response

Yale New Haven Health System (of which NEMG is a part) has been advised by its antitrust counsel that allowing physicians who join NEMG to retain ownership interests in outside health care providers presents risks under the antitrust laws, because this separate ownership could be seen as destroying the "unity of interests" that must be present in order for NEMG to jointly contract with payers for the services of its physicians. As a result, NEMG generally requires physicians to divest themselves of any ownership interest in facilities such as FCEC that bill and receive payment from third party payers.

3. The first paragraph on page 18 states that "Unless NEMG owns 100% of FCEC, the center cannot benefit from these efficiencies" Please elaborate on this statement and describe why these efficiencies are not achievable without 100% NEMG ownership of FCEC.

Response

Unless FCEC is fully owned by NEMG, the endoscopy center cannot benefit from infrastructure and cost savings offered by NEMG. A non-for-profit entity providing services to a for-profit entity with physician ownership must, by law, provide these services at fair market value. In addition, many of the discounts that YNHHS has negotiated with suppliers and vendors can only be used for wholly owned subsidiaries and other entities that are fully part of YNHHS. Unless NEMG fully owns FCEC, NEMG would have to charge market rates for any infrastructure, purchasing, or other services it provides, and it would not be able to pass many of the discounts it receives from its vendors. If this were the case, FCEC could not achieve the efficiencies outlined in the CON application.

4. On page 19 the application states that " ...NEMG will not seek to move FCEC to the NEMG fee schedule." Please respond to the following:
- a. How long will the existing FCEC fee schedule be maintained?

Response

NEMG has provided notice to the payers that the PriMed transaction will maintain a revenue neutral position and that any rate increased will be part of the normal course of contract renewals that are individual to each health plan. As an example, FCEC will assign the Anthem FCEC agreement to NEMG and operate with the existing fee schedule until the Anthem renewal date at NEMG is ready for negotiation. NEMG will then negotiate a blended rate schedule at a revenue neutral basis and then negotiate a rate increase for all the services provided that is reasonable for both parties.

- b. Do the rates charged by FCEC differ from those charged by NEMG? If so, please explain.

Response

The fee schedule that FCEC has negotiated with its payers is considered competitively sensitive information under the antitrust laws, and so NEMG is not permitted know the rates of FCEC and will not be privy to this information until the transaction is consummated. For this reason, NEMG will plan to assign the PriMed FCEC fee schedule to preserve a revenue neutral status. FCEC may be able to provide this information to OHCA under separate cover.

- c. If the transfer were approved, will NEMG be charging any type of facility fee on the services performed at FCEC?

Response

FCEC currently bills a facility rate (but not a hospital facility fee), as will NEMG. The method of billing, ambulatory surgery billing, which includes professional and technical components, will be the same under NEMG ownership.

5. Please update Table 1 on page 21 of the application to include actual volume to date of the procedures performed in FY 2014.

Response

Table 1 on page 21 of the application has been updated to include the actual volume to date of procedures performed in FY 2014

TABLE 1
HISTORICAL UTILIZATION BY SERVICE

Service**	Actual Volume (Last 3 Completed FYs)			CFY Volume*
	FY 2011	FY 2012	FY 2013	FY 2014
GI Procedures [†]	5,504	5,657	5,863	6,004
Total	5,504	5,657	5,863	6,004

6. Please revise Table 6 on page 27 of the application to reflect the updated FY 2014 volume to date and revise FY 2015 and FY 2016 to match the projected volumes listed on page 22.

Response

Table 6 on page 27 of the application has been updated to reflect FY 2014 volume to date. FY 2015 and FY 2016 have been updated as well.

TABLE 6
APPLICANT'S CURRENT & PROJECTED PAYER MIX

Payer	Most Recently Completed FY 2013*		Projected					
			FY 2014 ^A		FY 2015		FY 2016	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare*	1,811	31%	1,854	31%	1,854	31%	1,854	31%
Medicaid*	121	2%	166	3%	166	3%	166	3%
CHAMPUS & TriCare	1	0%	0	0%	0	0%	0	0%
Total Government	1,172	33%	2,020	34%	2,020	34%	2,020	34%
Commercial	3,910	67%	3,955	66%	3,955	66%	3,955	66%

Payer	Most Recently Completed FY 2013*		Projected					
			FY 2014 ^A		FY 2015		FY 2016	
	Volume	%	Volume	%	Volume	%	Volume	%
Insurers								
Uninsured	20	0%	29	0%	29	0%	29	0%
Workers Compensation	0	0%	0	0%	0	0%	0	0%
Total Non-Government	4,691	67%	3,984	66%	3,984	66%	3,984	66%
Total Payer Mix	5,863	100%	6,004	100%	6,004	100%	6,004	100%

*Please note that 2013 figures were adjusted to add in managed Medicare to the Medicare category. It was previously included in Commercial in error.

7. With the proposed transfer of ownership, NEMG would have 100% controlling interest of FCEC. Please explain how the control and governance of the endoscopy center will be determined following the transfer (note any changes to existing policies).

Response

If the CON is approved, NEMG would close on the acquisition of the remaining 60% interest in PriMed Gastroenterology, LLC, and would become the sole member of that LLC. To avoid the burdens of maintaining a separate entity (separate board, insurance, bank accounts, etc.), it is NEMG's intention to transfer the license and assets from PriMed Gastroenterology, LLC to NEMG and then dissolve the LLC. NEMG would coordinate with DPH regarding the necessary licensure changes for this change in ownership. NEMG would then hold the license for the FCEC and would operate the FCEC directly, rather than through a subsidiary LLC. By dissolving the separate LLC and transferring its assets to NEMG, the FCEC can be run more efficiently, without the need for separate financial statements, tax and corporate filings and board meetings. The operations of the FCEC also will benefit from NEMG's tax-exempt status with respect to purchasing. Once the LLC is dissolved and the assets are transferred, the NEMG Board of Trustees will be the governing body for the FCEC. The NEMG Board consists of physician and hospital representatives from across Yale New Haven Health System, and a substantial majority of the Board is made up of physicians (including two former PriMed physicians). Once the FCEC has been fully integrated into NEMG, all NEMG policies and procedures (including human resources, financial assistance and related policies) will fully apply at the site, as they do at other NEMG locations. To the extent FCEC has policies that are specific to an endoscopy center, NEMG will review those policies and make any changes before adopting them as NEMG policies

8. With respect to the proposal's cost effectiveness, the CON application states on page 29 that NEMG will bring a number of efficiencies and cost savings to FCEC, including: the Epic electronic medical record system and practice management system, infrastructure for billing,

compliance and other essential data management requirements, and lower purchase prices for medical supplies. Please respond to the following:

- a. Provide an itemization of anticipated cost savings attributable to these items.

Response

Listed below is an itemization of the anticipated cost savings:

- **\$80,000 savings on related to current management fee with Med3000 once FCEC moves to the NEMG contract.**
- **\$20,000 savings related current electronic medical record system once FCEC transitions to EPIC**
- **\$35,000 savings from supplies once FCEC moves to YNHHS vendor contracts. (This amount is estimated at 10% reduction from current expense level)**

- b. Have the anticipated cost savings been incorporated in NEMG's Financial Attachment I? If no, please revise to include these projected savings.

Response

NEMG's Financial Attachment I has been revised to reflect the costs savings noted in response to question 8a. Please see Attachment I.

9. Despite the positive incremental gains anticipated by the acquisition of FCEC, NEMG projects substantial and increasing losses from operations in FY 2015 (\$59,275,011), FY 2016 (\$68,544,814) and FY 2017 (\$78,358,839). What effect will these projected operating losses have on NEMG's future ability to operate the Fairfield County Endoscopy Center?

Response

The endoscopy center will be operated as a separate cost center within NEMG. The center is expected to generate annual gains from operations. The projected financial performance of the endoscopy center will ensure its continued ability to operate irrespective of any projected losses for NEMG overall.

ATTACHMENT I
REVISED FINANCIAL ATTACHMENTS

12. C (i). Please provide one year of actual results and three years of projections of Total Professional revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

Total Facility: Description	FY 2013 Actual Results		FY 2014 Projected		FY 2015 Projected		FY 2016 Projected		FY 2017 Projected		FY 2018 Projected	
	Without CON	With CON	Without CON	With CON	Without CON	Incremental	Without CON	Incremental	Without CON	Incremental	Without CON	With CON
NET PATIENT REVENUE												
Non-Government	\$ 52,801,888	\$ 65,347,247	\$ 80,913,121	\$ 82,076,230	\$ 90,913,121	\$ 1,165,109	\$ 90,913,121	\$ 1,553,478	\$ 90,913,121	\$ 1,553,478	\$ 92,466,599	\$ 92,466,599
Medicare	\$ 33,385,993	\$ 41,090,195	\$ 56,796,972	\$ 57,231,390	\$ 66,796,972	\$ 432,417	\$ 56,796,972	\$ 576,557	\$ 56,796,972	\$ 576,557	\$ 57,373,529	\$ 57,373,529
Medicaid and Other Medical Assistance	\$ 13,895,538	\$ 17,093,522	\$ 23,614,507	\$ 23,640,997	\$ 23,614,507	\$ 26,429	\$ 23,614,507	\$ 35,239	\$ 23,614,507	\$ 35,239	\$ 23,649,747	\$ 23,649,747
Other Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Net Patient Revenue	\$ 100,083,369	\$ 123,530,965	\$ 171,326,601	\$ 172,950,566	\$ 171,326,601	\$ 1,623,956	\$ 171,326,601	\$ 2,165,274	\$ 171,326,601	\$ 2,165,274	\$ 173,491,875	\$ 173,491,875
Other Operating Revenue	\$ 67,190,525	\$ 60,736,058	\$ 62,254,459	\$ 62,254,459	\$ 62,254,459	\$ 0	\$ 62,254,459	\$ 0	\$ 62,254,459	\$ 0	\$ 63,910,820	\$ 63,910,820
Revenue from Operations	\$ 167,273,894	\$ 184,267,023	\$ 233,581,060	\$ 235,205,015	\$ 233,581,060	\$ 1,623,956	\$ 233,581,060	\$ 2,165,274	\$ 233,581,060	\$ 2,165,274	\$ 237,402,695	\$ 237,402,695
OPERATING EXPENSES												
Salaries and Fringe Benefits	\$ 126,371,061	\$ 137,203,968	\$ 155,496,726	\$ 156,070,085	\$ 159,906,537	\$ 783,591	\$ 159,906,537	\$ 783,591	\$ 159,906,537	\$ 783,591	\$ 160,690,128	\$ 160,690,128
Professional / Contracted Services	\$ 62,668,219	\$ 71,155,495	\$ 102,837,554	\$ 102,864,732	\$ 108,004,798	\$ 38,049	\$ 108,004,798	\$ 38,049	\$ 108,004,798	\$ 38,049	\$ 108,042,846	\$ 108,042,846
Supplies and Drugs	\$ 3,369,756	\$ 4,926,583	\$ 9,704,691	\$ 9,668,294	\$ 10,169,653	\$ 225,731	\$ 10,169,653	\$ 225,731	\$ 10,169,653	\$ 225,731	\$ 10,365,384	\$ 10,365,384
Bad Debts	\$ 3,353,671	\$ 4,046,373	\$ 4,065,486	\$ 4,100,426	\$ 4,096,655	\$ 45,233	\$ 4,096,655	\$ 45,233	\$ 4,096,655	\$ 45,233	\$ 4,141,908	\$ 4,141,908
Other Operating Expense	\$ 1,778,842	\$ 2,105,770	\$ 7,569,175	\$ 7,604,631	\$ 7,897,379	\$ 31,694	\$ 7,897,379	\$ 31,694	\$ 7,897,379	\$ 31,694	\$ 8,291,674	\$ 8,291,674
Subtotal	\$ 197,559,549	\$ 219,438,189	\$ 279,674,631	\$ 280,506,167	\$ 290,075,021	\$ 1,144,318	\$ 290,075,021	\$ 1,144,318	\$ 290,075,021	\$ 1,144,318	\$ 302,045,987	\$ 302,045,987
Depreciation/Amortization	\$ 2,414,030	\$ 2,331,969	\$ 2,800,674	\$ 2,864,051	\$ 2,942,719	\$ 97,038	\$ 2,942,719	\$ 97,038	\$ 2,942,719	\$ 97,038	\$ 3,089,026	\$ 3,089,026
Interest Expense	\$ 3,909	\$ 16,423	\$ 60,338	\$ 64,210	\$ 65,693	\$ 5,317	\$ 65,693	\$ 5,317	\$ 65,693	\$ 5,317	\$ 71,209	\$ 71,209
Lease Expense	\$ 4,867,876	\$ 6,885,129	\$ 10,641,322	\$ 10,935,863	\$ 11,253,119	\$ 129,836	\$ 11,253,119	\$ 129,836	\$ 11,253,119	\$ 129,836	\$ 11,877,270	\$ 11,877,270
Total Operating Expense	\$ 204,845,364	\$ 228,671,710	\$ 293,376,966	\$ 294,372,291	\$ 304,336,553	\$ 1,366,508	\$ 304,336,553	\$ 1,366,508	\$ 304,336,553	\$ 1,366,508	\$ 317,112,357	\$ 317,112,357
Gains/(Loss) from Operations	\$ (37,571,470)	\$ (44,404,688)	\$ (60,795,906)	\$ (59,167,276)	\$ (69,199,132)	\$ (628,630)	\$ (69,199,132)	\$ (628,630)	\$ (69,199,132)	\$ (628,630)	\$ (78,214,392)	\$ (78,214,392)
Plus: Non-Operating Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenue Over/(Under) Expense	\$ (37,571,470)	\$ (44,404,688)	\$ (60,795,906)	\$ (59,167,276)	\$ (69,199,132)	\$ (628,630)	\$ (69,199,132)	\$ (628,630)	\$ (69,199,132)	\$ (628,630)	\$ (78,214,392)	\$ (78,214,392)
FTEs	0	0	0	0	0	0	0	0	0	0	0	0

*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.

Other Expense - med3000 and her fees
reduced supplies

100,000
35,000

100,000
35,000

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	Endoscopy Center	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Procedures		Rate	Units	Gross Revenue	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations
# of Months in Operation					Col. 2 * Col. 3				Col.4 - Col.5 -Col.6 - Col.7	Col. 1 Total * Col. 4 / Col. 4 Total	Col. 8 - Col. 9
FY 2015											
FY Projected Incremental											
Total Incremental Expenses:			\$995,325								
Total Facility by Payer Category:											
Medicare			\$1,200	1,391	\$1,668,600	\$1,236,183			\$432,417	\$306,857	\$125,561
Medicaid			\$1,200	125	\$149,400	\$122,971			\$26,429	\$27,475	(\$1,045)
CHAMPUS/TriCare			\$1,200	0	\$0	\$0			\$0	\$0	\$0
Total Governmental				1,515	\$1,818,000	\$1,359,153	\$0	\$0	\$458,847	\$334,331	\$124,516
Commercial Insurers			\$1,200	2,966	\$3,559,500	\$2,394,391			\$1,165,109	\$654,594	\$510,514
Uninsured			\$1,200	29	\$34,800	\$34,800			\$0	\$6,400	(\$6,400)
Total NonGovernment				2,995	\$3,594,300	\$2,429,191	\$0	\$0	\$1,165,109	\$660,994	\$504,115
Total All Payers				4,510	\$5,412,300	\$3,788,344	\$0	\$0	\$1,623,956	\$995,325	\$628,630

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Endoscopy Center									
# of Months in Operation	Procedures									
		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total *	Gain/(Loss) from Operations Col. 8 - Col. 9
FY 2016										
FY Projected Incremental										
Total Incremental Expenses:		\$1,366,508								
Total Facility by Payer Category:										
Medicare		\$1,200	1,854	\$2,224,800	\$1,648,243			\$576,557	\$421,970	\$154,587
Medicaid		\$1,200	166	\$199,200	\$163,961			\$35,239	\$37,782	(\$2,542)
CHAMPUS/TriCare		\$1,200	0	\$0	\$0			\$0	\$0	\$0
Total Governmental			2,020	\$2,424,000	\$1,812,204	\$0	\$0	\$611,796	\$459,751	\$152,045
Commercial Insurers		\$1,200	3,955	\$4,746,000	\$3,192,522			\$1,553,478	\$900,156	\$653,322
Uninsured		\$1,200	29	\$34,800	\$34,800			\$0	\$6,600	(\$6,600)
Total NonGovernment			3,984	\$4,780,800	\$3,227,322	\$0	\$0	\$1,553,478	\$906,757	\$646,721
Total All Payers			6,004	\$7,204,800	\$5,039,526	\$0	\$0	\$2,165,274	\$1,366,508	\$798,766

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Endoscopy Center	Rate	Units	Gross Revenue	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations
# of Months in Operation	Procedures			Col. 2 * Col. 3				Col. 4 - Col. 5 -Col. 6 - Col. 7	Col. 1 Total * Col. 4 / Col. 4 Total	Col. 8 - Col. 9
FY 2017	12									
FY Projected Incremental	\$1,407,039									
Total Incremental Expenses:										
Total Facility by Payer Category:										
Medicare		\$1,200	1,854	\$2,224,800	\$1,648,243			\$576,557	\$434,485	\$142,071
Medicaid		\$1,200	166	\$199,200	\$163,961			\$35,239	\$38,902	(\$3,663)
CHAMPUS/TriCare		\$1,200	0	\$0	\$0			\$0	\$0	\$0
Total Governmental			2,020	\$2,424,000	\$1,812,204	\$0	\$0	\$611,796	\$473,387	\$138,408
Commercial Insurers		\$1,200	3,955	\$4,746,000	\$3,192,522			\$1,553,478	\$926,855	\$626,623
Uninsured		\$1,200	29	\$34,800	\$34,800			\$0	\$6,796	(\$6,796)
Total NonGovernment			3,984	\$4,780,800	\$3,227,322	\$0	\$0	\$1,553,478	\$933,651	\$619,827
Total All Payers		\$1,200	6,004	\$7,204,800	\$5,039,526	\$0	\$0	\$2,165,274	\$1,407,039	\$758,235



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

November 18, 2014

VIA FAX ONLY

Ms. Nancy Rosenthal
Senior Vice President, Health Systems Development
Northeast Medical Group, Inc.
5 Perryridge Road,
Greenwich, CT 06830

Dr. Arnold DoRosario
Manager
Fairfield County Endoscopy Center
888 White Plains Road, Suite 210
Trumbull, CT 06611

RE: Certificate of Need Application, Docket Number 14-31937-CON
Transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County
Endoscopy Center ("FCEC") to Northeast Medical Group, Inc. ("NEMG").

Dear Ms. Rosenthal and Dr. DoRosario:

On October 20, 2014, the Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") completeness responses on behalf of FCEC and NEMG ("Applicants") proposing to transfer ownership of FCEC to NEMG, with an associated capital expenditure of \$5,500,000.

OHCA has reviewed the CON completeness responses pursuant to Connecticut General Statutes §19a-639a(c) and requests the following additional information:

1. In the response to question 4 on page 142, the applicants indicated that "FCEC currently bills a facility rate (but not a hospital facility fee), as will NEMG." Please respond to the following:
 - a. What is a billed facility rate?
 - b. How does a facility rate differ from a facility fee?
 - c. What is the dollar amount of the facility rate charged to patients?
 - d. Is the facility rate charged to all patients receiving services at FCEC?

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)
410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

2. In the response to question 4 on page 142 of the completeness responses, the applicants indicated that “the transaction will maintain a revenue neutral position and that any rate increased will be part of the normal course of contract renewals...” The response further indicates that when a payer contract is due for renewal “NEMG will then negotiate a blended rate schedule at a revenue neutral basis and then negotiate a rate increase for all services provided that is reasonable for both parties.” Please explain the following:
 - a. The term “blended” and how two separate fee schedules can be combined in the manner described by the Applicants.
 - b. The term “revenue neutral basis” and how it applies to two separate entities’ pricemasters.

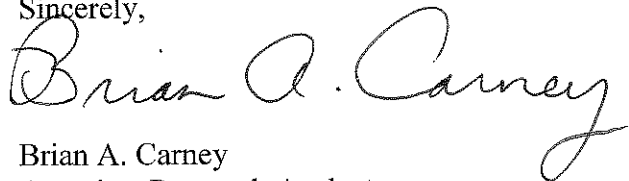
3. Please update the FY 2013 amounts on Table 6, pages 143 and 144 of the application, for Government and Non-Government subtotals which appear to be summing the payer amounts incorrectly.

In responding to the questions contained in this letter, please repeat each question before providing your response. Paginate and date your response, i.e., each page in its entirety. Information filed after the initial CON application submission (e.g., completeness response letter, prefile testimony, late file submissions and the like) must be numbered sequentially from the Applicant’s document preceding it. Please begin your submission using **Page 150** and reference “**Docket Number: 14-31937-CON.**” Submit one (1) original and three (3) hard copies of your response. In addition, please submit a scanned copy of your response, in an Adobe format (.pdf) including all attachments on CD. If available, a copy of the response in MS Word should also be copied to the CD.

Pursuant to Section 19a-639a(c) of the Connecticut General Statutes, you must submit your response to this request for additional information no later than sixty days after the date that this request was transmitted. Therefore, please provide your written responses to OHCA no later than **January 17, 2015**, otherwise your application will be automatically considered withdrawn.

If you have any questions concerning this letter, please feel free to contact me at (860) 418-7014 or Ron Ciesones at (860) 418-7030.

Sincerely,



Brian A. Carney
Associate Research Analyst

* * * COMMUNICATION RESULT REPORT (NOV. 18. 2014 9:52AM) * * *

FAX HEADER:

TRANSMITTED/STORED : FILE MODE	NOV. 18. 2014 9:51AM OPTION	ADDRESS	RESULT	PAGE
752 MEMORY TX		92033741549	OK	3/3

REASON FOR ERROR
 E-1) HANG UP OR LINE FAIL
 E-3) NO ANSWER

E-2) BUSY
 E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
 OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DR. ARNOLD DOROSARIO

FAX: (203) 374-1549

AGENCY: FAIRFIELD COUNTY ENDOSCOPY CENTER

FROM: OHCA

DATE: 11/18/14 Time: _____

NUMBER OF PAGES: 3
(including transmittal sheet)

Comments:

2nd Completeness Letter for Docket Number: 14-31937

**PLEASE PHONE
 TRANSMISSION PROBLEMS**

IF THERE ARE ANY

Phone: (860) 418-7001

Fax: (860) 418-7053

410 Capitol Ave., MS#13HCA
 P.O.Box 340308
 Hartford, CT 06134

* * * COMMUNICATION RESULT REPORT (NOV. 18. 2014 9:50AM) * * *

FAX HEADER:

TRANSMITTED/STORED : FILE MODE	NOV. 18. 2014 9:50AM OPTION	ADDRESS	RESULT	PAGE
751 MEMORY TX		92038634736	OK	3/3

REASON FOR ERROR
 M-1) HANG UP OR LINE FAIL
 M-3) NO ANSWER

E-2) BUSY
 E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
 OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: MS. NANCY ROSENTHAL

FAX: (203) 863-4736

AGENCY: NORTHEAST MEDICAL GROUP, INC.

FROM: OHCA

DATE: 11/18/14 Time: _____

NUMBER OF PAGES: 3
(including transmittal sheet)

Comments: 2nd Completeness Letter for Docket Number: 14-31937

**PLEASE PHONE
 TRANSMISSION PROBLEMS**

IF THERE ARE ANY

Phone: (860) 418-7001

Fax: (860) 418-7053

410 Capitol Ave., MS#13HCA
 P.O.Box 340308
 Hartford, CT 06134



December 12, 2014

Ms. Kimberly Martone
Director of Operations
Office of Healthcare Access
410 Capitol Avenue
MS #13HCA
P.O. Box 340308
Hartford, CT 06106

Re: Northeast Medical Group, Inc. and PriMed Gastroenterology, LLC
Transfer of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center (FCEC) to Northeast Medical Group, Inc. (NEMG)
Docket Number: 14-31937-CON

Dear Ms. Martone:

Enclosed please find the original, three (3) hard copies, and an electronic copy on CD of responses to the second set of completeness questions associated with the above referenced Certificate of Need application.

Please do not hesitate to contact me with any questions or concerns. I can be reached at (203) 863-3908. Thank you for your time and support of this project.

Sincerely,



Nancy Rosenthal
Senior Vice President – Health Systems Development

Enclosures

cc: Brian A. Carney, Associate Research Analyst

Certificate of Need Application
Docket Number 14-31937-CON

Transfer of Ownership of PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center ("FCEC")
to Northeast Medical Group, Inc. ("NEMG")

Responses to Completeness Questions #2

December 12, 2014

**Certificate of Need Application, Docket Number 14-31937-CON
Transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County
Endoscopy Center ("FCEC") to Northeast Medical Group, Inc. ("NEMG")**

Responses to Completeness Questions #2

1. In the response to question 4 on page 142, the applicants indicated that "FCEC currently bills a facility rate (but not a hospital facility fee), as will NEMG." Please respond to the following:

- a. What is a billed facility rate?

Response

A facility rate is the same as a facility fee. It is the amount the payor is charged for facility related expenses that are incurred when receiving services. Under NEMG ownership, FCEC will continue to charge a similar facility rate or fee to what is currently being billed under joint PriMed and NEMG ownership.

- b. How does a facility rate differ from a facility fee?

Response

Please refer to the response to question 1(a).

- c. What is the dollar amount of the facility rate charged to patients?

Response

Facility charges range from \$500 to \$2,000 per case depending on the services provided. Average facility payments received from payors range from \$200 to \$700 depending on the procedure performed and the patient's insurance. The facility will remain licensed as an ambulatory surgery center and will not be converted to an outpatient hospital site, thus a "hospital facility fee" will not be billed to patients.

- d. Is the facility rate charged to all patients receiving services at FCEC?

Response

Yes, all patients receiving services at FCEC are charged a facility fee. NEMG will continue to charge and collect the facility fee in the same way that is currently done by FCEC.

2. In the response to question 4 on page 142 of the completeness responses, the applicants indicated that "the transaction will maintain a revenue neutral position and that any rate increased will be part of the normal course of contract renewals..." The response further indicates that when a payer contract is due for renewal "NEMG will then negotiate a blended rate schedule at a revenue neutral basis and then negotiate a rate increase for all services provided that is reasonable for both parties." Please explain the following:

- a. The term "blended" and how two separate fee schedules can be combined in the manner described by the Applicants.

Response

NEMG will assume the existing contractual arrangements to preserve the existing financial terms. Upon further review, the term “blended” does not accurately describe the Applicant’s plans. NEMG will assume existing payor contracts and maintain the arrangements until the contracts are ready for renewal.

- b. The term "revenue neutral basis" and how it applies to two separate entities pricemasters.

Response

As noted in response to question 2a, NEMG will assume the existing payor contracts in place with FCEC, thus maintaining a “revenue neutral basis” for payors.

After the existing payor contract rate arrangements expire, NEMG plans to negotiate mutually (i.e. payer and provider) acceptable rate terms and conditions that allow the facility to remain competitive in a marketplace that is very competitive and price sensitive.

3. Please update the FY 2013 amounts on Table 6, pages 143 and 144 of the application, for Government and Non-Government subtotals which appear to be summing the payer amounts incorrectly.

Response

FY 2013 totals in Table 6 have been corrected.

Table 6. FY 2013 Subtotals Corrected

Payer	Most Recently Completed FY 2013*		Projected					
			FY 2014 ^A		FY 2015		FY 2016	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare*	1,811	31%	1,854	31%	1,854	31%	1,854	31%
Medicaid*	121	2%	166	3%	166	3%	166	3%
CHAMPUS & TriCare	1	0%	0	0%	0	0%	0	0%
Total Government	1,933	33%	2,020	34%	2,020	34%	2,020	34%
Commercial Insurers	3,910	67%	3,955	66%	3,955	66%	3,955	66%
Uninsured	20	0%	29	0%	29	0%	29	0%

Payer	Most Recently Completed FY 2013*		Projected					
			FY 2014 ^A		FY 2015		FY 2016	
	Volume	%	Volume	%	Volume	%	Volume	%
Workers Compensation	0	0%	0	0%	0	0%	0	0%
Total Non-Government	3,930	67%	3,984	66%	3,984	66%	3,984	66%
Total Payer Mix	5,863	100%	6,004	100%	6,004	100%	6,004	100%

Additional Response

Upon further review and consideration of the corporate structure, FCEC will continue to operate as a separate LLC and a subsidiary of NEMG. The LLC will obtain a new Tax ID number and assume all existing payer contracts. The Applicants would like to modify the response to completeness question number 7 issued by OHCA on September 22, 2014 as provided below.

7. With the proposed transfer of ownership, NEMG would have 100% controlling interest of FCEC. Please explain how the control and governance of the endoscopy center will be determined following the transfer (note any changes to existing policies).

Response

In NEMG's initial completeness responses it indicated that if the Certificate of Need for the acquisition of FCEC was approved, NEMG intended to transfer the assets from PriMed Gastroenterology, LLC to NEMG and then dissolve PriMed Gastroenterology, LLC and operate the FCEC as a cost center of NEMG. Since the time that those completeness responses were submitted, NEMG has had the opportunity to further analyze the operations and reimbursement structure of the FCEC and has determined that a different approach is warranted. Rather than transferring the assets of PriMed Gastroenterology, LLC to NEMG and operating the FCEC directly within NEMG as a cost center, NEMG intends to establish a new subsidiary entity as a limited liability company ("NewCo"). If NEMG receives CON approval to acquire 100% of the interests in FCEC it will transfer the assets from PriMed Gastroenterology, LLC to NewCo and file the associated change of ownership application with the Department of Public Health. Given the requirements for governing bodies of ambulatory surgery centers under the Medicare Conditions of Participation, NEMG will establish a smaller, operations-oriented board for NewCo, most likely consisting of the FCEC medical director and NEMG physician and operational leadership. The NewCo board will have responsibility for, among other things, determining, implementing and monitoring FCEC policies, oversight for the quality assessment and performance improvement program at FCEC, development of the disaster preparedness plan and ensuring FCEC's policies are administered so as to provide quality healthcare in a safe environment. Upon formation, the NewCo board will adopt the existing FCEC policies, revised as necessary to reflect the new ownership, and also will adopt new policies specific to NEMG addressing matters such as financial assistance and compliance. Based on NEMG's review of the FCEC policies that are specific to ambulatory surgery centers, it is anticipated that very few changes will be necessary.



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

VIA FACISIMILE ONLY

January 9, 2015

Nancy Rosenthal
Senior V.P. Health Systems Development
Yale-New Haven Hospital
20 York Street
New Haven, CT 06510

Arnold DoRosario, M.D.
Manager
Fairfield County Endoscopy Center
888 White Plains Road
Suite 210
Trumbull, CT 06611

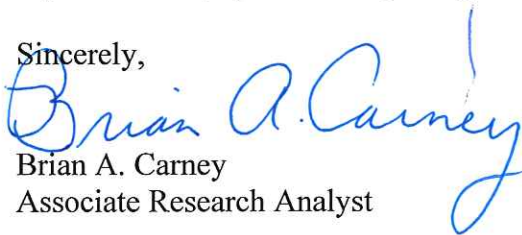
RE: Certificate of Need Application, Docket Number 14-31937-CON
Yale-New Haven Hospital
Transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County
Endoscopy Center to Northeast Medical Group, Inc.

Dear Ms. Rosenthal & Dr. DoRosario:

This letter is to inform you that, pursuant to Section 19a-639a (d) of the Connecticut General Statutes, the Office of Health Care Access has deemed the above-referenced application complete as of January 9, 2015.

If you have any questions regarding this matter, please feel free to contact me at (860) 418-7014.

Sincerely,


Brian A. Carney
Associate Research Analyst

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)
410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

* * * COMMUNICATION RESULT REPORT (JAN. 9. 2015 11:19AM) * * *

FAX HEADER:

TRANSMITTED/STORED : JAN. 9. 2015 11:19AM
FILE MODE OPTION

ADDRESS

RESULT

PAGE

831 MEMORY TX

912033741549

OK

2/2

REASON FOR ERROR
E-1) HANG UP OR LINE FAIL
E-3) NO ANSWER

E-2) BUSY
E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DR. ARNOLD DOROSARIO
FAX: 1-(203) 374-1549
AGENCY: FAIRFIELD COUNTY ENDOSCOPY CENTER
FROM: BRIAN CARNEY
DATE: 1/09/2015 Time: 11:30 am
NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

**CON Docket Number 14-31937
Notice that the application has been deemed complete.**

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7001

Fax: (860) 418-7053

410 Capitol Ave., MS#13HCA
P.O.Box 340308
Hartford, CT 06134

* * * COMMUNICATION RESULT REPORT (JAN. 9. 2015 11:18AM) * * *

FAX HEADER:

TRANSMITTED/STORED : JAN. 9. 2015 11:18AM
FILE MODE OPTION

ADDRESS

RESULT

PAGE

830 MEMORY TX

912038634736

OK

2/2

REASON FOR ERROR
E-1) HANG UP OR LINE FAIL
E-3) NO ANSWER

E-2) BUSY
E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: NANCY ROSENTHAL

FAX: 1-(203) 863-4736

AGENCY: NORTHEAST MEDICAL GROUP

FROM: BRIAN CARNEY

DATE: 1/09/2015 Time: 11:30 am

NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

**CON Docket Number 14-31937
Notice that the application has been deemed complete.**

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7001

Fax: (860) 418-7053

**410 Capitol Ave., MS#13HCA
P.O.Box 340308
Hartford, CT 06134**

Greer, Leslie

From: Ciesones, Ron
Sent: Wednesday, January 14, 2015 3:17 PM
To: Greer, Leslie
Cc: Carney, Brian; Riggott, Kaila
Subject: FW: Question regarding Docket Number: 14-31937-CON second set of completeness questions
Attachments: Org Chart re CON Questions - LRSD (ER).docx

Hi Leslie,

The narrative below and the attached org charts should be added to the CON record for DN # 14-31937. --Thanks

From: Rosenthal, Nancy [<mailto:Nancy.Rosenthal@greenwichhospital.org>]
Sent: Friday, January 09, 2015 9:53 AM
To: Ciesones, Ron
Cc: Willcox, Jennifer; Banoff, Karen; McKennan, Matthew
Subject: Question regarding Docket Number: 14-31937-CON second set of completeness questions

Ron,

I hope this (below and attached) satisfactorily answers the clarification question posed yesterday regarding a portion of Q7 (p. 153) in Docket Number 14-31937-CON second set of completeness questions submitted on December 12, 2014.

NEMG is seeking approval for full (100%) ownership of PriMed Gastroenterology, LLC a limited liability company which operates the Fairfield County Endoscopy Center and which currently is owned 40% by PriMed, LLC and 60% by Northeast Medical Group, Inc. Initially NEMG anticipated acquiring 100% of the ownership interest in PriMed Gastroenterology, LLC and then dissolving that entity and transferring all the assets of PriMed Gastroenterology, LLC to NEMG, which would then operate the Fairfield County Endoscopy Center as a division of NEMG and under NEMG's tax identification number. NEMG has since learned, however, that a separate tax ID number is needed in order to bill for the procedures that are performed at the Fairfield County Endoscopy Center. Accordingly, NEMG now plans to form a separate, wholly-owned entity called "NEMG Gastroenterology, LLC" (called "NewCo" in our completeness responses) and if CON and DPH approval are granted, that entity will operate the FCEC, rather than operating the FCEC just as a division of NEMG and under NEMG's tax identification number. The end result is the same – NEMG will own 100% of the entity that provides services at the FCEC. Whether NEMG formed a separate entity or simply operated the FCEC as a division of NEMG, it would have needed approval from the Department of Public Health for a change of ownership, and it intends to pursue that approval if the CON is approved.

Thanks Ron.

Nancy

Nancy Rosenthal
SVP Health Systems Development, Strategy and Regulatory Planning

Greenwich Hospital
5 Perryridge Rd.

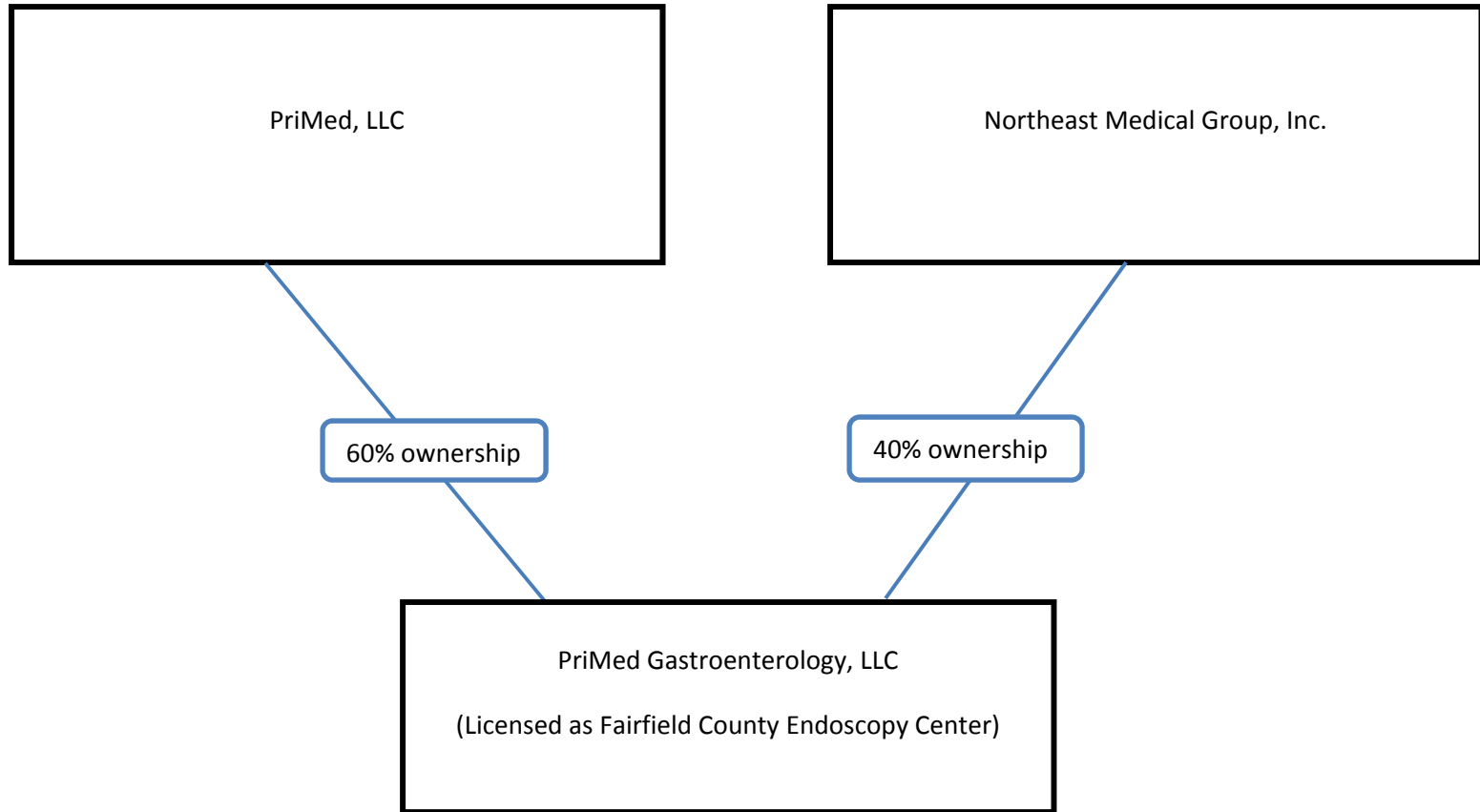
Greenwich, CT 06830
Phone:(203) 863-3908

Nancy.Rosenthal@greenwichhospital.org
www.greenwichhospital.org

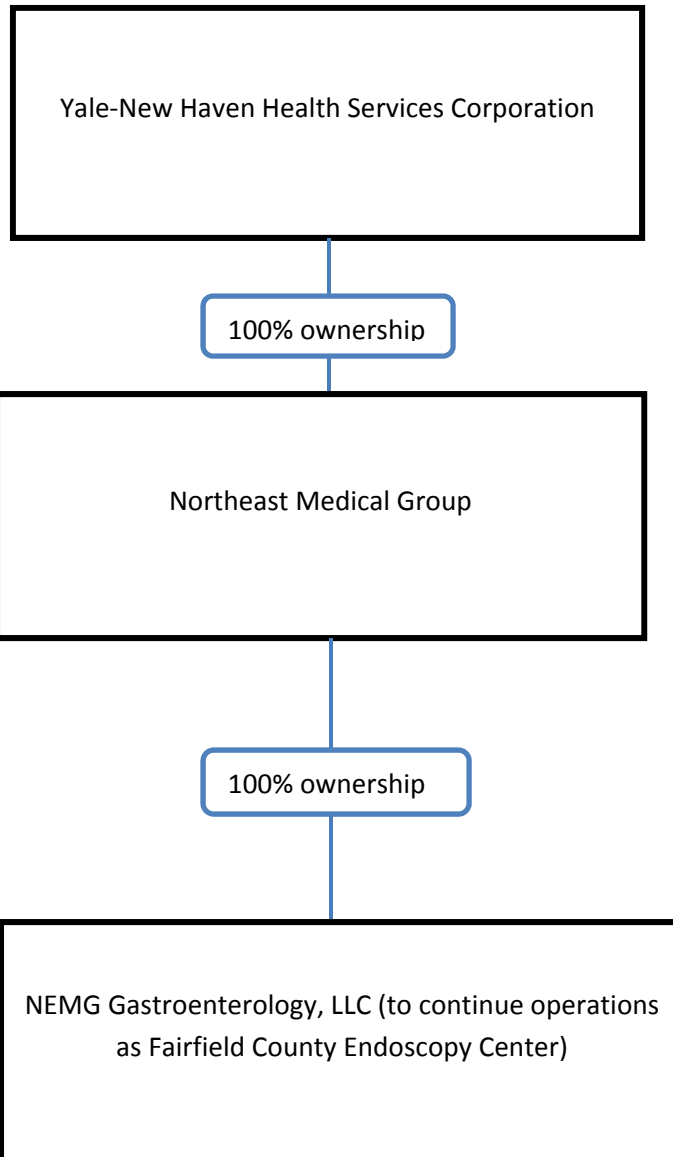
Please consider the **environment**
before printing this email.

This message originates from the Yale New Haven Health System. The information contained in this message may be privileged and confidential. If you are the intended recipient you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you.

Current Ownership Structure of Fairfield County Endoscopy Center



Proposed Ownership Structure of Fairfield County Endoscopy Center



Greer, Leslie

From: Lazarus, Steven
Sent: Tuesday, February 24, 2015 9:23 AM
To: Carney, Brian; Ciesones, Ron
Cc: Riggott, Kaila; Greer, Leslie
Subject: FW: Medicaid Impact from CON Proposal filed under 14-31937

Brian and Ron,

Please see the response from DSS regarding your CON application filed under 14-31937.

Steve

Ps. Leslie, please add to the original file.

From: Wysocki, Richard
Sent: Tuesday, February 24, 2015 8:25 AM
To: Lazarus, Steven
Cc: Lavigne, Christopher A.; Martone, Kim
Subject: RE: Medicaid Impact from CON Proposal filed under 14-31937

Steve

DSS has reviewed the Applicant's information as provided by OHCA, and based on this information, the applicant states that historical procedure volume for the Medicaid population was 2% and does not project a substantive change in patient population mix. Additionally, the applicant states that the proposal is not expected to reduce access to services by Medicaid recipients.

Based on this information, it appears that there may be no substantive impact to the Medicaid program. Thanks.

Wysocki, Richard
rich.wysocki@ct.gov

DSS
25 Sigourney St. 11th Flr. Rate Setting & CON unit
Hartford, CT 06106
860-424-5103 Direct

www.ct.gov/dss

CONFIDENTIAL INFORMATION: The information contained in this e-mail may be confidential and protected from general disclosure. If the recipient or reader of this e-mail is not the intended recipient or a person responsible to receive this e-mail for the intended recipient, please do not disseminate, distribute or copy it. If you received this e-mail in error, please notify the sender by replying to this message and delete this e-mail immediately. We will take immediate and appropriate action to see to it that this mistake is corrected. [*LD*]

From: Lazarus, Steven
Sent: Monday, February 23, 2015 11:30 AM
To: Wysocki, Richard

Cc: Lavigne, Christopher A.; Martone, Kim
Subject: RE: Medicaid Impact from CON Proposal filed under 14-31937

Hello Rich,

I was just following up on the email below to see, what the status was on the DSS review?

Thanks,

Steve

Steven W. Lazarus

Associate Health Care Analyst
Division of Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

From: Lazarus, Steven
Sent: Thursday, January 15, 2015 10:01 AM
To: Wysocki, Richard
Cc: Lavigne, Christopher A.; Martone, Kim; Riggott, Kaila; Hansted, Kevin
Subject: Medicaid Impact from CON Proposal filed under 14-31937

Good Morning Rich,

Please see the information below regarding CON application filed with OHCA under DN: 14-31937. Please let us know the Medicaid impact.

Thank you,

Steve

Steven W. Lazarus

Associate Health Care Analyst
Division of Office of Health Care Access
Connecticut Department of Public Health
410 Capitol Avenue
Hartford, CT 06134
Phone: 860-418-7012
Fax: 860-418-7053

Greer, Leslie

Subject: FW: NEMG PriMed Gastro CON Application

-----Original Message-----

From: Carney, Brian

Sent: Wednesday, March 18, 2015 7:54 AM

To: Karen Banoff

Cc: Riggott, Kaila

Subject: RE: NEMG PriMed Gastro CON Application

Karen,

Please provide an additional year (FY 2018) of the projected financial numbers. That will require submitting a new FA II page and updating FA I with the additional year. Also, can you provide a brief explanation as to why expenses are projected to increase (e.g., inflation, cost of wages and benefits, etc.) I am assuming utilization and thus revenues will be held constant to match FY 2016 and FY 2017.

This info will provide us with three full (complete) years of financial projections following the ownership change, which is what we usually ask for.

Thanks,

Brian

Greer, Leslie

From: Ciesones, Ron
Sent: Friday, March 20, 2015 1:51 PM
To: Greer, Leslie
Cc: Carney, Brian
Subject: FW: Docket Number 14-31937-CON


Leslie,

Please include this email in the CON record as page number 156. –Thanks.

From: Carney, Brian
Sent: Friday, January 09, 2015 10:31 AM
To: Ciesones, Ron; Hansted, Kevin; Riggott, Kaila
Subject: FW: Docket Number 14-31937-CON

See response.....

Brian A. Carney, MBA
Associate Research Analyst
Phone: (860) 418-7014

 Please consider the environment before printing this message

From: Rosenthal, Nancy [<mailto:Nancy.Rosenthal@greenwichhospital.org>]
Sent: Friday, January 09, 2015 10:06 AM
To: Carney, Brian
Subject: RE: Docket Number 14-31937-CON

Yes

Nancy Rosenthal
SVP Health Systems Development, Strategy and Regulatory Planning

Greenwich Hospital
5 Perryridge Rd.
Greenwich, CT 06830
Phone:(203) 863-3908

Nancy.Rosenthal@greenwichhospital.org
www.greenwichhospital.org

Please consider the environment
before printing this email.

From: Carney, Brian [<mailto:Brian.Carney@ct.gov>]
Sent: Friday, January 09, 2015 10:06 AM
To: Rosenthal, Nancy
Subject: Docket Number 14-31937-CON

Nancy, you are referring to a licensing change (see highlight) not another CON application, correct?

156

Whether NEMG formed a separate entity or simply operated the FCEC as a division of NEMG, it would have needed approval from the Department of Public Health for a change of ownership, and it intends to pursue that approval if the CON is approved.

Brian

Brian A. Carney, MBA


Associate Research Analyst
CT Department of Public Health
Office of Health Care Access
410 Capitol Avenue, MS #13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Phone: (860) 418-7014

Fax: (860) 418 7053

Email: brian.carney@ct.gov

Web: www.ct.gov/ohca

 Please consider the environment before printing this message

This message originates from the Yale New Haven Health System. The information contained in this message may be privileged and confidential. If you are the intended recipient you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you.

Greer, Leslie

Subject: FW: NEMG PriMed Gastro CON Application
Attachments: Rev Primed Endoscopy Financial Submissions_NEMG updated 032015.pdf

-----Original Message-----

From: Carney, Brian
Sent: Friday, March 20, 2015 1:55 PM
To: Greer, Leslie
Subject: FW: NEMG PriMed Gastro CON Application

Leslie, can you please repaginate starting at page 157 and add to the record.

Thanks much!

Brian

Brian A. Carney, MBA
Associate Research Analyst
Phone: (860) 418-7014

☑ Please consider the environment before printing this message

-----Original Message-----

From: Karen Banoff [<mailto:kbanoff@kmbconsult.com>]
Sent: Friday, March 20, 2015 1:27 PM
To: Carney, Brian
Cc: Riggott, Kaila
Subject: RE: NEMG PriMed Gastro CON Application

Hi Brian and Kaila-
As per your request, please find attached updated financial attachments I and II that add 2018.

The explanation for expense increases is that a 4% inflation factor was applied to wages, benefits and other non- salary expenses.

Please let me know if you require any additional information. Thank you

Karen M. Banoff, DNP, RN
Principal
203- 459-1601 (office)

203-209-0681 (mobile)

-----Original Message-----

From: Carney, Brian [<mailto:Brian.Carney@ct.gov>]

Sent: Wednesday, March 18, 2015 7:54 AM

To: Karen Banoff

Cc: Riggott, Kaila

Subject: RE: NEMG PriMed Gastro CON Application

Karen,

Please provide an additional year (FY 2018) of the projected financial numbers. That will require submitting a new FA II page and updating FA I with the additional year. Also, can you provide a brief explanation as to why expenses are projected to increase (e.g., inflation, cost of wages and benefits, etc.) I am assuming utilization and thus revenues will be held constant to match FY 2016 and FY 2017.

This info will provide us with three full (complete) years of financial projections following the ownership change, which is what we usually ask for.

Thanks,
Brian

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	Endoscopy Center Procedures	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	# of Months in Operation		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col. 4 - Col. 5 -Col. 6 - Col. 7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
FY 2015											
FY Projected Incremental											
Total Incremental Expenses:		\$995,325									
Total Facility by Payer Category:											
Medicare			\$1,200	1,391	\$1,668,600	\$1,236,183			\$432,417	\$306,857	\$125,561
Medicaid			\$1,200	125	\$149,400	\$122,971			\$26,429	\$27,475	(\$1,045)
CHAMPUS/Tricare			\$1,200	0	\$0	\$0			\$0	\$0	\$0
Total Governmental				1,515	\$1,818,000	\$1,359,153	\$0	\$0	\$458,847	\$334,331	\$124,516
Commercial Insurers			\$1,200	2,966	\$3,559,500	\$2,394,391			\$1,165,109	\$654,594	\$510,514
Uninsured			\$1,200	29	\$34,800	\$34,800			\$0	\$6,400	(\$6,400)
Total NonGovernment				2,995	\$3,594,300	\$2,429,191	\$0	\$0	\$1,165,109	\$660,994	\$504,115
Total All Payers				4,510	\$5,412,300	\$3,788,344	\$0	\$0	\$1,623,956	\$995,325	\$628,630

12.C(f). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	Endoscopy Center	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Procedures		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total *	Gain/(Loss) from Operations Col. 8 - Col. 9
# of Months in Operation		12								Col. 4 / Col. 4 Total	
FY 2016											
FY Projected Incremental											
Total Incremental Expenses:		\$1,366,508									
Total Facility by Payer Category:											
Medicare			\$1,200	1,854	\$2,224,800	\$1,648,243			\$576,557	\$421,970	\$154,587
Medicaid			\$1,200	166	\$199,200	\$163,961			\$35,239	\$37,782	(\$2,542)
CHAMPUS/TriCare			\$1,200	0	\$0	\$0			\$0	\$0	\$0
Total Governmental				2,020	\$2,424,000	\$1,812,204	\$0	\$0	\$611,796	\$459,751	\$152,045
Commercial Insurers			\$1,200	3,955	\$4,746,000	\$3,192,522			\$1,553,478	\$900,156	\$653,322
Uninsured			\$1,200	29	\$34,800	\$34,800			\$0	\$6,600	(\$6,600)
Total NonGovernmental				3,984	\$4,780,800	\$3,227,322	\$0	\$0	\$1,553,478	\$906,757	\$646,721
Total All Payers				6,004	\$7,204,800	\$5,039,526	\$0	\$0	\$2,165,274	\$1,366,508	\$798,766

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Endoscopy Center Procedures	Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col.4 - Col.5 -Col.6 - Col.7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
# of Months in Operation	12									
FY 2017										
FY Projected Incremental										
Total Incremental Expenses:	\$1,407,039									
Total Facility by Payer Category:										
Medicare		\$1,200	1,854	\$2,224,800	\$1,648,243			\$576,557	\$434,485	\$142,071
Medicaid		\$1,200	166	\$199,200	\$163,961			\$35,239	\$38,902	(\$3,663)
CHAMPUS/Tricare		\$1,200	0	\$0	\$0			\$0	\$0	\$0
Total Governmental			2,020	\$2,424,000	\$1,812,204	\$0	\$0	\$611,796	\$473,387	\$138,408
Commercial Insurers		\$1,200	3,955	\$4,746,000	\$3,192,522			\$1,553,478	\$926,855	\$626,623
Uninsured		\$1,200	29	\$34,800	\$34,800			\$0	\$6,796	(\$6,796)
Total NonGovernmental			3,984	\$4,780,800	\$3,227,322	\$0	\$0	\$1,553,478	\$933,651	\$619,827
Total All Payers			6,004	\$7,204,800	\$5,039,526	\$0	\$0	\$2,165,274	\$1,407,039	\$758,235

12.C(ii). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	Endoscopy Center Procedures	Rate	Units	Gross Revenue	Allowances/Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations
# of Months in Operation	12			Col. 2 * Col. 3				Col.4 - Col.5 -Col.6 - Col.7	Col. 1 Total * Col. 4 / Col. 4 Total	Col. 8 - Col. 9
FY 2017										
FY Projected Incremental Total Incremental Expenses:	\$1,449,026									
Total Facility by Payer Category:										
Medicare		\$1,200	1,854	\$2,224,800	\$1,648,243			\$576,557	\$447,451	\$129,106
Medicaid		\$1,200	166	\$199,200	\$163,961			\$35,239	\$40,063	(\$4,824)
CHAMPUS/Tricare		\$1,200	0	\$0	\$0			\$0	\$0	\$0
Total Governmental			2,020	\$2,424,000	\$1,812,204	\$0	\$0	\$611,796	\$487,514	\$124,282
Commercial Insurers		\$1,200	3,955	\$4,746,000	\$3,192,522			\$1,553,478	\$954,513	\$598,965
Uninsured		\$1,200	29	\$34,800	\$34,800			\$0	\$6,999	(\$6,999)
Total NonGovernment			3,984	\$4,780,800	\$3,227,322	\$0	\$0	\$1,553,478	\$961,512	\$591,966
Total All Payers			6,004	\$7,204,800	\$5,039,526	\$0	\$0	\$2,165,274	\$1,449,026	\$716,248

Greer, Leslie

From: Olejarz, Barbara
Sent: Friday, April 10, 2015 3:42 PM
To: 'Nancy.Rosenthal@greenwichhospital.org'
Cc: Lazarus, Steven; Greer, Leslie; Carney, Brian; Martone, Kim; Riggott, Kaila; Foreman, Rebecca
Subject: Signed Agreed Settlement for Fairfield County Endoscopy Center
Attachments: 31937-4.pdf

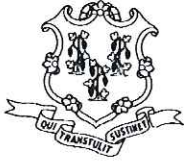
4/10/15

Attached is the signed agreed settlement for Fairfield County Endoscopy Center.

Barbara K. Olejarz

Administrative Assistant to Kimberly Martone
Office of Health Care Access
Department of Public Health
410 Capitol Ave., MS#13HCA
Hartford, CT 06134
Phone: 860 418-7005
Email: Barbara.olejarz@ct.gov





STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

April 10, 2015

IN THE MATTER OF:

An Application for a Certificate of Need filed
Pursuant to Section 19a-638, C.G.S. by:

**PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center**
Northeast Medical Group, Inc.

Notice of Agreed Settlement
Office of Health Care Access
Docket Number: 14-31937-CON

**Transfer of ownership of PriMed
Gastroenterology, LLC d/b/a Fairfield
County Endoscopy Center to Northeast
Medical Group, Inc.**

To: Nancy Rosenthal
Sr. Vice President-Health Systems Development
Yale-New Haven Hospital
5 Perryridge Road
Greenwich, CT 06830

Dear Ms. Rosenthal:

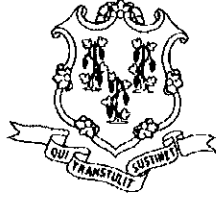
This letter will serve as notice of the approved Certificate of Need Application in the above-referenced matter. On April 10, 2015, the Agreed Settlement, attached hereto, was adopted and issued as an Order by the Department of Public Health, Office of Health Care Access.



Kimberly R. Martone
Director of Operations

Enclosure
KRM:bac

An Equal Opportunity Provider
(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)
410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov



**Department of Public Health
Office of Health Care Access
Certificate of Need Application**

Agreed Settlement

Applicants: PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center
888 White Plains Road, Suite 210, Trumbull, CT 06611

Northeast Medical Group, Inc.
5 Perryridge Road, Greenwich, CT 06830

Docket Number: 14-31937-CON

Project Title: Transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center to Northeast Medical Group, Inc.

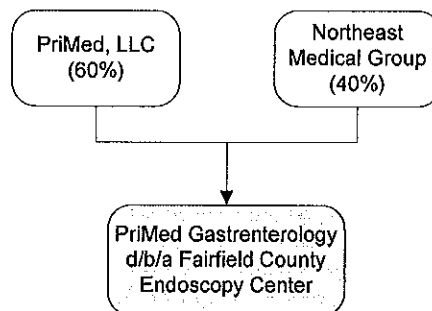
Project Description: PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center (“FCEC”) and Northeast Medical Group, Inc. (“NEMG”), or collectively (“Applicants”) seek authorization to transfer ownership of FCEC to NEMG, with an associated capital expenditure of \$5,500,000.

Procedural History: The Applicants published notice of their intent to file a Certificate of Need (“CON”) application in *The Connecticut Post* (Bridgeport) on June 4, 5 and 6, 2014. On August 25, 2014, the Office of Health Care Access (“OHCA”) received the CON application from the Applicants for the above-referenced project and deemed the application complete on January 9, 2015. OHCA received no responses from the public concerning the proposal and no hearing requests were received from the public per Connecticut General Statutes (“Conn. Gen. Stat.”) § 19a-639a(e). Deputy Commissioner Brancifort considered the entire record in this matter.

Findings of Fact and Conclusions of Law

To the extent the findings of fact actually represent conclusions of law, they should be so considered, and vice versa. *SAS Inst., Inc., v. S & H Computer Systems, Inc.*, 605 F.Supp. 816 (Md. Tenn. 1985).

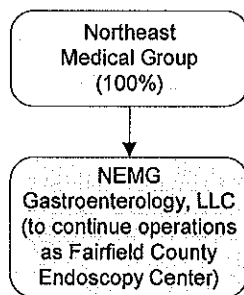
1. PriMed, LLC (“PriMed”) is an integrated medical practice owned exclusively by licensed physicians that practice in the Bridgeport area. Ex. A, p. 17.
2. PriMed, LLC formed PriMed Gastroenterology, LLC for the purpose of establishing Fairfield County Endoscopy Center (“FCEC”), a licensed outpatient surgical facility located at 888 White Plains Road, Suite 210, Trumbull, Connecticut and a health care facility or institution as defined by Conn. Gen. Stat. § 19a-630. Ex. A, p. 17.
3. FCEC has been in operation since 2003, following OHCA approval on January 24, 2002 (DN: 01-551). FCEC utilizes two procedure rooms to perform gastrointestinal (GI) services that include colonoscopies, polypectomies, upper endoscopies and esophageal dilations. Ex. A, p. 17.
4. Northeast Medical Group, Inc. (“NEMG”) is a medical foundation affiliated with the Yale New Haven Health System (“YNHHS”). Ex. A, p. 17.
5. On June 1, 2014, NEMG acquired the assets of PriMed, LLC and a 40% interest in FCEC. No CON was required for the sale (OHCA 14-31907-DTR). Ex. A, p. 17.
6. FCEC is currently owned by PriMed (60%) and NEMG (40%) as indicated in the chart below. Ex. A, p.17.



7. PriMed physicians now perform services exclusively on behalf of NEMG pursuant to a professional services agreement. Ex. A, p. 17.
8. Pursuant to the Federal Sherman Antitrust Act and Conn. Gen. Stat. § 35-24 et seq., there exist limitations on the actions NEMG can take on behalf of FCEC, unless NEMG holds the controlling ownership interest of the endoscopy center. Under both Federal and Connecticut

statutes, entities not under common control cannot coordinate their negotiation of prices or payment terms with purchasers of their services, but entities under common control can coordinate such activities. Ex. C, p. 142; Conn. Gen. Stat. § 35-24 et seq.

9. NEMG generally requires physicians to divest themselves of any ownership interests in facilities, such as FCEC, that bill and receive payment from third party payers. Ex. C, p. 141.
10. The former PriMed physicians are seeking approval to sell their remaining 60% member interest to NEMG, making NEMG the sole owner of FCEC. Ex. A, p. 17.
11. Following the acquisition, NEMG will establish a separate entity called NEMG Gastroenterology, LLC to operate the endoscopy center. Ex. E, p. 153 and Ex. F, p. 154.
12. NEMG Gastroenterology, LLC will obtain a new tax ID number to bill for procedures that are performed at FCEC. Ex. E, p. 153 and Ex. F, p. 154.
13. A chart of organization following NEMG's full acquisition of FCEC is indicated below. Ex. E, p. 153 and Ex. F, p. 154.



14. NEMG will notify patients of the ownership change in the following ways:
 - letters will be mailed to patients scheduled for appointments/procedures;
 - fliers will be placed in the waiting room;
 - patients will be informed when scheduling new appointments; and
 - websites of NEMG and FCEC will be updated to reflect the new ownership.Ex. A, p. 19.
15. The majority of patients served by FCEC reside in Bridgeport, Trumbull, Stratford, Shelton, Fairfield, Monroe and Milford. Ex. A, p. 18.
16. NEMG will continue to offer the same clinical services currently provided at FCEC, by the same practicing physicians. Ex. A, p. 18.

17. NEMG will establish an operations-oriented board that will have responsibility for determining, implementing and monitoring FCEC policies, oversight for the quality assessment and quality improvement program at FCEC, development of the disaster preparedness plan and ensuring policies are administered that ensure quality health care is provided in a safe environment. Ex. E, p. 153.
18. The method of billing, which includes professional and technical components, will remain the same under NEMG ownership and the endoscopy center will continue to charge a facility fee similar to that which is currently being charged. Ex C, p. 142; Ex. E, p.151.
19. In order to maintain a revenue neutral position for payers, NEMG will not seek to move FCEC to the NEMG fee schedule. However, NEMG will implement a new self-pay fee schedule based on annual income to help patients without health insurance afford care. Ex A, p. 19; Ex C, p. 141.
20. NEMG will assume all existing payer contracts in place with FCEC. After the existing payer contracts expire, NEMG plans to negotiate terms and conditions for new rates that will allow the facility to remain competitive in the marketplace. Ex E, p. 152.
21. GI procedures at FCEC increased yearly by 3% on average (FY 2012 - FY 2014).

TABLE 1
 HISTORICAL VISITS

	Historical Volume			
	FY 2011	FY 2012	FY 2013	FY 2014
GI Procedures ¹	5,504	5,657	5,863	6,004

¹Approximately 70% are upper gastrointestinal tract procedures.
 Fiscal Year is October 1st through September 30th.
 Ex. C, p. 144.

22. The Applicants project stable demand for GI procedures over the next four years.

TABLE 2
 PROJECTED VOLUME

	Projected Volume			
	FY 2015	FY 2016	FY 2017	FY 2018
GI Procedures	6,004	6,004	6,004	6,004

Ex. C, pp. 144; Ex. 1 pp. 158-161.

23. Historical procedure volume for the Medicaid population has been 2% of the total volume. Future payer mix at FCEC is projected to remain similar to historical results.

TABLE 3
FCEC'S CURRENT & PROJECTED PAYER MIX

Payer	Most Recently Completed FY2013		Projected					
			FY2014		FY2015		FY2016	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare*	1,811	31%	1,854	31%	1,854	31%	1,854	31%
Medicaid*	121	2%	166	3%	166	3%	166	3%
CHAMPUS & TriCare	1	0%	0	0%	0	0%	0	0%
Total Government	1,933	33%	2,020	34%	2,020	34%	2,020	34%
Commercial Insurers	3,910	67%	3,955	66%	3,955	66%	3,955	66%
Uninsured	20	0%	29	0%	29	0%	29	0%
Workers Compensation	0	0%	0	0%	0	0%	0	0%
Total Non-Government	3,930	67%	3,984	66%	3,984	66%	3,984	66%
Total Payer Mix	5,863	100%	6,004	100%	6,004	100%	6,004	100%

Ex. A, p 28; Ex. E, p.152-153

*Includes managed care activity

24. NEMG will bring a number of efficiencies and cost savings to FCEC including:

- EPIC electronic medical records and practice management system;
 - infrastructure for billing, compliance and other essential data
 - lower purchase prices for medical supplies using YNHHS vendor contracts.
- Ex. C, p. 145.

25. By dissolving the separate LLC and transferring assets to NEMG, FCEC can be run more efficiently, without the need for separate financial statements, tax and corporate filings and board meetings. In addition, the operations of the FCEC will benefit from NEMG's tax-exempt status with respect to purchasing. Ex. C, p. 144.

26. The anticipated cost savings as a result of the proposal total \$135,000:

- \$20,000 savings related to electronic medical record system transfer to EPIC;
 - \$80,000 savings related to ending management fees;
 - \$35,000 savings related to future supply purchase from YNHHS vendor contracts.
- Ex. C, p145.

27. NEMG projects incremental gains from operations in FY 2015 (partial year due to transfer date) and in each of the first three complete fiscal years following the ownership change (FY 2016-2018).

TABLE 5
APPLICANTS PROJECTED INCREMENTAL GAIN FROM OPERATIONS

	FY 2015¹	FY 2016	FY 2017	FY 2018
Revenue from Operations	\$ 1,623,956	\$ 2,165,274	\$ 2,165,274	\$ 2,165,274
Total Operating Expenses*	\$ 995,325	\$ 1,366,508	\$ 1,407,039	\$ 1,449,026
Gain from Operations	\$ 628,630	\$ 798,766	\$ 758,235	\$ 716,248

¹ FY 2015 represents a represents a pro-rated value based on an estimate of when the CON would be approved and NEMG assumes 100% ownership.

*Operating expenses are projected to increase as a result of a projected 4% inflation factor that was applied to wages, benefits and other non- salary expenses.
Ex. I, p. 157-161.

28. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations not yet adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))
29. This CON application is consistent with the overall goals of the Statewide Health Care Facilities and Service Plan. (Conn. Gen. Stat. § 19a-639(a)(2))
30. The Applicants have established that there is a clear public need for the proposal. (Conn. Gen. Stat. § 19a-639(a)(3))
31. The Applicants have demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))
32. The Applicants have satisfactorily demonstrated that the proposal will maintain quality, and improve the accessibility and cost effectiveness of health care delivery in the region. (Conn. Gen. Stat. § 19a-639(a)(5))
33. The Applicants have shown that there would be no adverse change in the provision of health care services to the relevant populations and payer mix, including access to services by Medicaid recipients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))
34. The Applicants have satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7))
35. The Applicants' historical provision of treatment in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8))
36. The Applicants have satisfactorily demonstrated that this proposal would not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))

37. The Applicants have demonstrated that there will be no reduction in access to services by Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10))
38. The Applicants have demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the region. (Conn. Gen. Stat. § 19a-639(a)(11))
39. The Applicants have satisfactorily demonstrated that the proposal will not result in any consolidation. (Conn. Gen. Stat. § 19a-639(a)(12))

DISCUSSION

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in § 19a-639(a) of the Statutes. The Applicants bear the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

PriMed, LLC (“PriMed”) is an integrated medical practice owned exclusively by licensed physicians that practice in the “greater Bridgeport area.” *FF1*. PriMed, LLC formed PriMed Gastroenterology, LLC for the purpose of establishing the Fairfield County Endoscopy Center (“FCEC”), a licensed outpatient surgical facility in Trumbull, Connecticut. *FF2*. FCEC has been in operation since 2003 and utilizes two procedure rooms to perform gastrointestinal services that include: colonoscopies, polypectomies, upper endoscopies and esophageal dilations. *FF3*.

On June 1, 2014, Northeast Medical Group (“NEMG”), a medical foundation affiliated with Yale New Haven Health System (YNHHS), acquired the assets of PriMed, LLC, along with a 40% interest in FCEC. *FF4-5*. PriMed physicians now perform services exclusively on behalf of NEMG through a professional services agreement. *FF7*.

Pursuant to the Sherman Antitrust Act and Conn. Gen. Stat. § 35-24 et seq. limitations exist on the actions NEMG can take on behalf of FCEC, unless NEMG holds the controlling ownership interest of the endoscopy center. Entities not under common control are unable to coordinate the negotiation of prices or payment terms with purchasers of their services. *FF8*. In addition, NEMG generally requires physicians to divest themselves of any ownership interest in facilities, such as FCEC, that bill and receive payment from third party payers. *FF9*. As a result, the former PriMed physicians are seeking approval to sell their remaining 60% member interest to NEMG, making NEMG the sole owner of FCEC. *FF10*. Following the acquisition, NEMG will establish a separate entity called NEMG Gastroenterology, LLC to operate the endoscopy center and obtain a new tax ID number to bill for procedures. *FF11-12*.

Following the acquisition of FCEC, NEMG will continue to provide the same clinical services to the same patient population by the same physicians. *FF16*. An operations-oriented board will be established and will focus on administrative policies that ensure quality health care is provided in a safe environment. *FF17*. NEMG will assume all existing payer contracts and implement a new self-pay fee schedule (based on annual income) to help patients without health insurance afford care. *FF18-20*.

NEMG will bring a number of efficiencies and enhancements to the endoscopy center, such as the EPIC electronic medical records system, expertise and infrastructure for billing and other essential data management requirements, such as compliance. *FF24*. In addition, by dissolving the separate LLC and transferring assets to NEMG, FCEC can be run more efficiently, without the need for separate financial statements, tax and corporate filings and board meetings. In addition, the operations of FCEC will benefit from NEMG’s tax-exempt status with respect to purchasing. *FF25*. As a result of these combined factors, the Applicants have satisfactorily demonstrated that

quality and access to cost effective services in the region will be maintained for all relevant patient populations.

The proposal is expected to reduce costs at FCEC by a total of \$135,000 annually as a result of anticipated savings due to the transfer to the EPIC electronic medical records system, ending management fees and the ability to purchase supplies utilizing YNHHS vendor contracts. *FF26*. NEMG projects incremental gains from operations of \$628,630 in FY 2015, \$798,766 in FY 2016, \$758,235 in FY 2017 and \$716,248 in FY 2018 as a result of the proposal. *FF27*. Based on these two factors, the Applicants have satisfactorily demonstrated that the proposal is financially feasible.

Overall, the cost savings achieved by this proposal will enhance the financial strength of the health care system in Connecticut while ensuring that access to quality care is maintained for the population currently being served by FCEC, including that of the Medicare and Medicaid population. Consequently, the Applicants have demonstrated that their proposal is consistent with the overall goals included in the Statewide Health Care Facilities and Services Plan.

In order to ensure that the practicing physicians remain free from any corporate influence upon their medical judgment, OHCA requires that the Applicants agree to take certain actions as stated in the Order attached hereto.

Order

NOW, THEREFORE, the Department of Public Health, Office of Health Care Access, PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. hereby stipulate and agree to the terms of settlement with respect to the change in ownership structure of Fairfield County Endoscopy Center as follows:

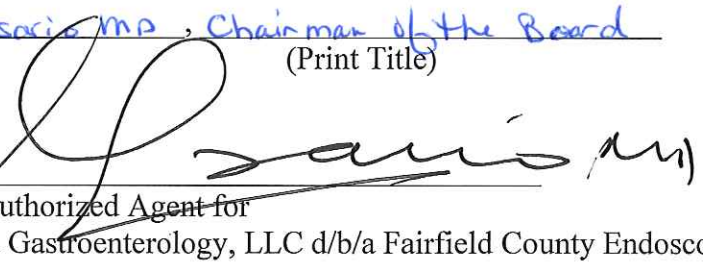
1. PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. shall ensure that the Fairfield County Endoscopy Center Medical Director and any and all physicians utilizing the Fairfield County Endoscopy Center are free from any and all influence from PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. with respect to their independent medical judgment in providing direct care to patients of the Fairfield County Endoscopy Center.
2. PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. shall ensure that the Fairfield County Endoscopy Center Medical Director and any and all physicians utilizing the Fairfield County Endoscopy Center are free from any and all influence with respect to their supervision of any and all licensed health care workers providing direct care to patients of the Fairfield County Endoscopy Center.
3. PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. shall provide the Office of Health Care Access with a fully executed copy of the Operating Agreement, relating to the Fairfield County Endoscopy Center, within 30 days of execution.
4. The Office of Health Care Access, PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. agree that this Agreed Settlement represents a final agreement between the Office of Health Care Access, PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. with respect to this request. The signing of this Agreed Settlement resolves all objections, claims and disputes that may have been raised by the PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. with regard to Docket Number: 14-31937-CON.
5. This Agreed Settlement is an order of the Office of Health Care Access with all the rights and obligations attendant thereto, and the Office of Health Care Access may enforce this Agreed Settlement pursuant to the provisions of Conn. Gen. Stat. §§ 19a-642 and 19a-653 with all fees and costs of such enforcement being the responsibility of PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. should PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center or Northeast Medical Group, Inc. fail to comply with its terms.

with all fees and costs of such enforcement being the responsibility of PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. should PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center or Northeast Medical Group, Inc. fail to comply with its terms.

6. This Agreed Settlement shall inure to the benefit of and be binding upon the Office of Health Care Access, PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center, Northeast Medical Group, Inc. and their successors and assigns.

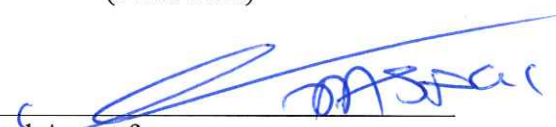
Signed by ARNOLD DOROSACIO MD, Chairman of the Board
(Print name) (Print Title)

4.6.15
Date


Duly Authorized Agent for
PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center

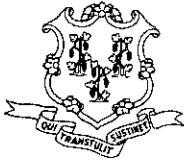
Signed by Am. + RASTOGI MD, Interim CEO
(Print name) (Print Title)

4.6.15
Date


Duly Authorized Agent for
Northeast Medical Group, Inc.

The above Agreed Settlement is hereby accepted and so ordered by the Department of Public Health, Office of Health Care Access on 4/10/15.


Janet M. Brancifort, MPH
Deputy Commissioner



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

May 1, 2015

IN THE MATTER OF:

An Application for a Certificate of Need filed
Pursuant to Section 19a-638, C.G.S. by:

Notice of Agreed Settlement
Office of Health Care Access
Docket Number: 14-31937-CON

**PriMed Gastroenterology, LLC d/b/a
Fairfield County Endoscopy Center**

**Transfer of ownership of PriMed
Gastroenterology, LLC d/b/a Fairfield
County Endoscopy Center to Northeast
Medical Group, Inc.**

Northeast Medical Group, Inc.

To: Nancy Rosenthal
Sr. Vice President-Health Systems Development
Yale-New Haven Hospital
5 Perryridge Road
Greenwich, CT 06830

Dear Ms. Rosenthal:

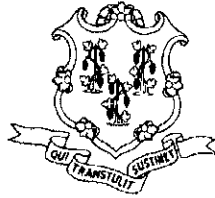
This letter will serve as notice of the approved Certificate of Need Application in the above-referenced matter. On May 1, 2015, the Agreed Settlement, attached hereto, was adopted and issued as an Order by the Department of Public Health, Office of Health Care Access.

A handwritten signature in black ink, appearing to read "Kimberly R. Martone".

Kimberly R. Martone
Director of Operations

Enclosure
KRM:bac

An Equal Opportunity Provider
(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)
410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov



**Department of Public Health
Office of Health Care Access
Certificate of Need Application**

Agreed Settlement

Applicants: PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center
888 White Plains Road, Suite 210, Trumbull, CT 06611

Northeast Medical Group, Inc.
5 Perryridge Road, Greenwich, CT 06830

Docket Number: 14-31937-CON

Project Title: Transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center to Northeast Medical Group, Inc.

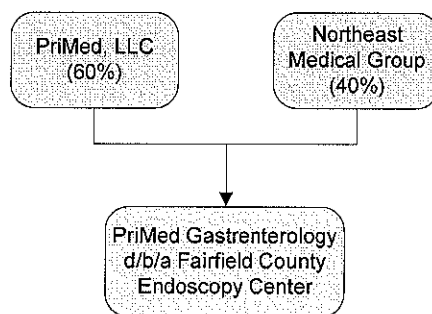
Project Description: PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center ("FCEC") and Northeast Medical Group, Inc. ("NEMG"), or collectively ("Applicants") seek authorization to transfer ownership of FCEC to NEMG, with an associated capital expenditure of \$5,500,000.

Procedural History: The Applicants published notice of their intent to file a Certificate of Need ("CON") application in *The Connecticut Post* (Bridgeport) on June 4, 5 and 6, 2014. On August 25, 2014, the Office of Health Care Access ("OHCA") received the CON application from the Applicants for the above-referenced project and deemed the application complete on January 9, 2015. OHCA received no responses from the public concerning the proposal and no hearing requests were received from the public per Connecticut General Statutes ("Conn. Gen. Stat.") § 19a-639a(e). Deputy Commissioner Brancifort considered the entire record in this matter.

Findings of Fact and Conclusions of Law

To the extent the findings of fact actually represent conclusions of law, they should be so considered, and vice versa. *SAS Inst., Inc., v. S & H Computer Systems, Inc.*, 605 F.Supp. 816 (Md. Tenn. 1985).

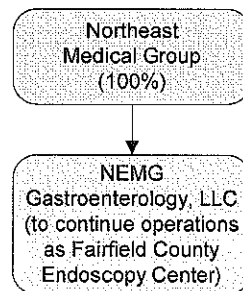
1. PriMed, LLC (“PriMed”) is an integrated medical practice owned exclusively by licensed physicians that practice in the Bridgeport area. Ex. A, p. 17.
2. PriMed, LLC formed PriMed Gastroenterology, LLC for the purpose of establishing Fairfield County Endoscopy Center (“FCEC”), a licensed outpatient surgical facility located at 888 White Plains Road, Suite 210, Trumbull, Connecticut and a health care facility or institution as defined by Conn. Gen. Stat. § 19a-630. Ex. A, p. 17.
3. FCEC has been in operation since 2003, following OHCA approval on January 24, 2002 (DN: 01-551). FCEC utilizes two procedure rooms to perform gastrointestinal (GI) services that include colonoscopies, polypectomies, upper endoscopies and esophageal dilations. Ex. A, p. 17.
4. Northeast Medical Group, Inc. (“NEMG”) is a medical foundation affiliated with the Yale New Haven Health System (“YNHHS”). Ex. A, p. 17.
5. On June 1, 2014, NEMG acquired the assets of PriMed, LLC and a 40% interest in FCEC. No CON was required for the sale (OHCA 14-31907-DTR). Ex. A, p. 17.
6. FCEC is currently owned by PriMed (60%) and NEMG (40%) as indicated in the chart below. Ex. A, p.17.



7. PriMed physicians now perform services exclusively on behalf of NEMG pursuant to a professional services agreement. Ex. A, p. 17.
8. Pursuant to the Federal Sherman Antitrust Act and Conn. Gen. Stat. § 35-24 et seq., there exist limitations on the actions NEMG can take on behalf of FCEC, unless NEMG holds the controlling ownership interest of the endoscopy center. Under both Federal and Connecticut

statutes, entities not under common control cannot coordinate their negotiation of prices or payment terms with purchasers of their services, but entities under common control can coordinate such activities. Ex. C, p. 142; Conn. Gen. Stat. § 35-24 et seq.

9. NEMG generally requires physicians to divest themselves of any ownership interests in facilities, such as FCEC, that bill and receive payment from third party payers. Ex. C, p. 141.
10. The former PriMed physicians are seeking approval to sell their remaining 60% member interest to NEMG, making NEMG the sole owner of FCEC. Ex. A, p. 17.
11. Following the acquisition, NEMG will establish a separate entity called NEMG Gastroenterology, LLC to operate the endoscopy center. Ex. E, p. 153 and Ex. F, p.154.
12. NEMG Gastroenterology, LLC will obtain a new tax ID number to bill for procedures that are performed at FCEC. Ex. E, p. 153 and Ex. F, p.154.
13. A chart of organization following NEMG's full acquisition of FCEC is indicated below. Ex. E, p. 153 and Ex. F, p.154.



14. NEMG will notify patients of the ownership change in the following ways:
 - letters will be mailed to patients scheduled for appointments/procedures;
 - fliers will be placed in the waiting room;
 - patients will be informed when scheduling new appointments; and
 - websites of NEMG and FCEC will be updated to reflect the new ownership.Ex. A, p. 19.
15. The majority of patients served by FCEC reside in Bridgeport, Trumbull, Stratford, Shelton, Fairfield, Monroe and Milford. Ex. A, p. 18.
16. NEMG will continue to offer the same clinical services currently provided at FCEC, by the same practicing physicians. Ex. A, p. 18.

17. NEMG will establish an operations-oriented board that will have responsibility for determining, implementing and monitoring FCEC policies, oversight for the quality assessment and quality improvement program at FCEC, development of the disaster preparedness plan and ensuring policies are administered that ensure quality health care is provided in a safe environment. Ex. E, p. 153.
18. The method of billing, which includes professional and technical components, will remain the same under NEMG ownership and the endoscopy center will continue to charge a facility fee similar to that which is currently being charged. Ex C, p. 142; Ex. E, p.151.
19. In order to maintain a revenue neutral position for payers, NEMG will not seek to move FCEC to the NEMG fee schedule. However, NEMG will implement a new self-pay fee schedule based on annual income to help patients without health insurance afford care. Ex A, p. 19; Ex C, p. 141.
20. NEMG will assume all existing payer contracts in place with FCEC. After the existing payer contracts expire, NEMG plans to negotiate terms and conditions for new rates that will allow the facility to remain competitive in the marketplace. Ex E, p. 152.
21. GI procedures at FCEC increased yearly by 3% on average (FY 2012 - FY 2014).

TABLE 1
 HISTORICAL VISITS

	Historical Volume			
	FY 2011	FY 2012	FY 2013	FY 2014
GI Procedures ¹	5,504	5,657	5,863	6,004

¹Approximately 70% are upper gastrointestinal tract procedures.
 Fiscal Year is October 1st through September 30th.
 Ex. C, p. 144.

22. The Applicants project stable demand for GI procedures over the next four years.

TABLE 2
 PROJECTED VOLUME

	Projected Volume			
	FY 2015	FY 2016	FY 2017	FY 2018
GI Procedures	6,004	6,004	6,004	6,004

Ex. C, pp. 144; Ex. I pp. 158-161.

23. Historical procedure volume for the Medicaid population has been 2% of the total volume. Future payer mix at FCEC is projected to remain similar to historical results.

TABLE 3
FCEC'S CURRENT & PROJECTED PAYER MIX

Payer	Most Recently Completed FY2013		Projected					
			FY2014		FY2015		FY2016	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare*	1,811	31%	1,854	31%	1,854	31%	1,854	31%
Medicaid*	121	2%	166	3%	166	3%	166	3%
CHAMPUS & TriCare	1	0%	0	0%	0	0%	0	0%
Total Government	1,933	33%	2,020	34%	2,020	34%	2,020	34%
Commercial Insurers	3,910	67%	3,955	66%	3,955	66%	3,955	66%
Uninsured	20	0%	29	0%	29	0%	29	0%
Workers Compensation	0	0%	0	0%	0	0%	0	0%
Total Non-Government	3,930	67%	3,984	66%	3,984	66%	3,984	66%
Total Payer Mix	5,863	100%	6,004	100%	6,004	100%	6,004	100%

Ex. A, p 28; Ex. E, p.152-153

*Includes managed care activity

24. NEMG will bring a number of efficiencies and cost savings to FCEC including:

- EPIC electronic medical records and practice management system;
- infrastructure for billing, compliance and other essential data
- lower purchase prices for medical supplies using YNHHS vendor contracts.
Ex. C, p. 145.

25. By dissolving the separate LLC and transferring assets to NEMG, FCEC can be run more efficiently, without the need for separate financial statements, tax and corporate filings and board meetings. In addition, the operations of the FCEC will benefit from NEMG's tax-exempt status with respect to purchasing. Ex. C, p. 144.

26. The anticipated cost savings as a result of the proposal total \$135,000:

- \$20,000 savings related to electronic medical record system transfer to EPIC;
- \$80,000 savings related to ending management fees;
- \$35,000 savings related to future supply purchase from YNHHS vendor contracts.
Ex. C, p145.

27. NEMG projects incremental gains from operations in FY 2015 (partial year due to transfer date) and in each of the first three complete fiscal years following the ownership change (FY 2016-2018).

TABLE 5
APPLICANTS PROJECTED INCREMENTAL GAIN FROM OPERATIONS

	FY 2015¹	FY 2016	FY 2017	FY 2018
Revenue from Operations	\$ 1,623,956	\$ 2,165,274	\$ 2,165,274	\$ 2,165,274
Total Operating Expenses*	\$ 995,325	\$ 1,366,508	\$ 1,407,039	\$ 1,449,026
Gain from Operations	\$ 628,630	\$ 798,766	\$ 758,235	\$ 716,248

¹ FY 2015 represents a represents a pro-rated value based on an estimate of when the CON would be approved and NEMG assumes 100% ownership.

*Operating expenses are projected to increase as a result of a projected 4% inflation factor that was applied to wages, benefits and other non- salary expenses.

Ex. I, p. 157-161.

28. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations not yet adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))
29. This CON application is consistent with the overall goals of the Statewide Health Care Facilities and Service Plan. (Conn. Gen. Stat. § 19a-639(a)(2))
30. The Applicants have established that there is a clear public need for the proposal. (Conn. Gen. Stat. § 19a-639(a)(3))
31. The Applicants have demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))
32. The Applicants have satisfactorily demonstrated that the proposal will maintain quality, and improve the accessibility and cost effectiveness of health care delivery in the region. (Conn. Gen. Stat. § 19a-639(a)(5))
33. The Applicants have shown that there would be no adverse change in the provision of health care services to the relevant populations and payer mix, including access to services by Medicaid recipients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))
34. The Applicants have satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7))
35. The Applicants' historical provision of treatment in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8))
36. The Applicants have satisfactorily demonstrated that this proposal would not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))

37. The Applicants have demonstrated that there will be no reduction in access to services by Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10))
38. The Applicants have demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the region. (Conn. Gen. Stat. § 19a-639(a)(11))
39. The Applicants have satisfactorily demonstrated that the proposal will not result in any consolidation. (Conn. Gen. Stat. § 19a-639(a)(12))

DISCUSSION

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in § 19a-639(a) of the Statutes. The Applicants bear the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

PriMed, LLC (“PriMed”) is an integrated medical practice owned exclusively by licensed physicians that practice in the “greater Bridgeport area.” *FF1*. PriMed, LLC formed PriMed Gastroenterology, LLC for the purpose of establishing the Fairfield County Endoscopy Center (“FCEC”), a licensed outpatient surgical facility in Trumbull, Connecticut. *FF2*. FCEC has been in operation since 2003 and utilizes two procedure rooms to perform gastrointestinal services that include: colonoscopies, polypectomies, upper endoscopies and esophageal dilations. *FF3*.

On June 1, 2014, Northeast Medical Group (“NEMG”), a medical foundation affiliated with Yale New Haven Health System (YNHHS), acquired the assets of PriMed, LLC, along with a 40% interest in FCEC. *FF4-5*. PriMed physicians now perform services exclusively on behalf of NEMG through a professional services agreement. *FF7*.

Pursuant to the Sherman Antitrust Act and Conn. Gen. Stat. § 35-24 et seq. limitations exist on the actions NEMG can take on behalf of FCEC, unless NEMG holds the controlling ownership interest of the endoscopy center. Entities not under common control are unable to coordinate the negotiation of prices or payment terms with purchasers of their services. *FF8*. In addition, NEMG generally requires physicians to divest themselves of any ownership interest in facilities, such as FCEC, that bill and receive payment from third party payers. *FF9*. As a result, the former PriMed physicians are seeking approval to sell their remaining 60% member interest to NEMG, making NEMG the sole owner of FCEC. *FF10*. Following the acquisition, NEMG will establish a separate entity called NEMG Gastroenterology, LLC to operate the endoscopy center and obtain a new tax ID number to bill for procedures. *FF11-12*.

Following the acquisition of FCEC, NEMG will continue to provide the same clinical services to the same patient population by the same physicians. *FF16*. An operations-oriented board will be established and will focus on administrative policies that ensure quality health care is provided in a safe environment. *FF17*. NEMG will assume all existing payer contracts and implement a new self-pay fee schedule (based on annual income) to help patients without health insurance afford care. *FF18-20*.

NEMG will bring a number of efficiencies and enhancements to the endoscopy center, such as the EPIC electronic medical records system, expertise and infrastructure for billing and other essential data management requirements, such as compliance. *FF24*. In addition, by dissolving the separate LLC and transferring assets to NEMG, FCEC can be run more efficiently, without the need for separate financial statements, tax and corporate filings and board meetings. In addition, the operations of FCEC will benefit from NEMG’s tax-exempt status with respect to purchasing. *FF25*. As a result of these combined factors, the Applicants have satisfactorily demonstrated that

quality and access to cost effective services in the region will be maintained for all relevant patient populations.

The proposal is expected to reduce costs at FCEC by a total of \$135,000 annually as a result of anticipated savings due to the transfer to the EPIC electronic medical records system, ending management fees and the ability to purchase supplies utilizing YNHHS vendor contracts. *FF26*. NEMG projects incremental gains from operations of \$628,630 in FY 2015, \$798,766 in FY 2016, \$758,235 in FY 2017 and \$716,248 in FY 2018 as a result of the proposal. *FF27*. Based on these two factors, the Applicants have satisfactorily demonstrated that the proposal is financially feasible.

Overall, the cost savings achieved by this proposal will enhance the financial strength of the health care system in Connecticut while ensuring that access to quality care is maintained for the population currently being served by FCEC, including that of the Medicare and Medicaid population. Consequently, the Applicants have demonstrated that their proposal is consistent with the overall goals included in the Statewide Health Care Facilities and Services Plan.

In order to ensure that the practicing physicians remain free from any corporate influence upon their medical judgment, OHCA requires that the Applicants agree to take certain actions as stated in the Order attached hereto.

Order

NOW, THEREFORE, the Department of Public Health, Office of Health Care Access, PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. hereby stipulate and agree to the terms of settlement with respect to the change in ownership structure of Fairfield County Endoscopy Center as follows:

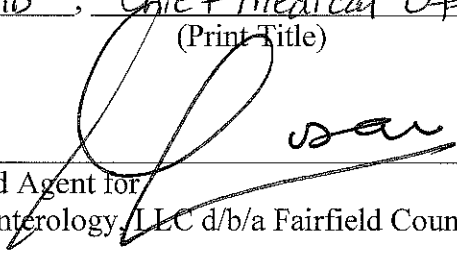
1. PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. shall ensure that the Fairfield County Endoscopy Center Medical Director and any and all physicians utilizing the Fairfield County Endoscopy Center are free from any and all influence from PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. with respect to their independent medical judgment in providing direct care to patients of the Fairfield County Endoscopy Center. Nothing herein shall prohibit Northeast Medical Group, Inc. from adopting care protocols or policies for the Fairfield County Endoscopy Center, provided that such protocols and policies are approved by Northeast Medical Group, Inc. and its physician directors consistent with the physician governance requirements of Connecticut General Statutes §§ 33-182aa et seq. (the Medical Foundation Act).
2. PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. shall ensure that the Fairfield County Endoscopy Center Medical Director and any and all physicians utilizing the Fairfield County Endoscopy Center are free from any and all influence with respect to their supervision of any and all licensed health care workers providing direct care to patients of the Fairfield County Endoscopy Center. Nothing herein shall prohibit Northeast Medical Group, Inc. from adopting human resource or other policies for the Fairfield County Endoscopy Center, provided that such policies are approved by Northeast Medical Group, Inc. and its physician directors consistent with the physician governance requirements of the Medical Foundation Act.
3. PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. shall provide the Office of Health Care Access with a fully executed copy of the Operating Agreement, relating to the Fairfield County Endoscopy Center, within 30 days of execution.
4. The Office of Health Care Access, PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. agree that this Agreed Settlement represents a final agreement between the Office of Health Care Access, PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. with respect to this request. The signing of this Agreed Settlement resolves all objections, claims and disputes that may have been raised by the PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. with regard to Docket Number: 14-31937-CON.

5. This Agreed Settlement is an order of the Office of Health Care Access with all the rights and obligations attendant thereto, and the Office of Health Care Access may enforce this Agreed Settlement pursuant to the provisions of Conn. Gen. Stat. §§ 19a-642 and 19a-653 with all fees and costs of such enforcement being the responsibility of PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center and Northeast Medical Group, Inc. should PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center or Northeast Medical Group, Inc. fail to comply with its terms.

6. This Agreed Settlement shall inure to the benefit of and be binding upon the Office of Health Care Access, PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center, Northeast Medical Group, Inc. and their successors and assigns.


Signed by Arnold Dorosario, MD, Chairman of The Board
(Print name) ~~Chief Medical Officer~~
(Print Title)

4-27-15
Date

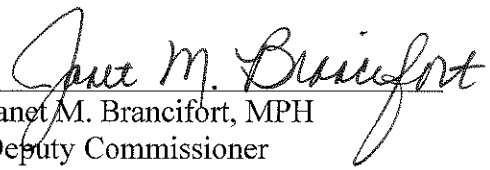

Duly Authorized Agent for
PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center

Signed by Amit Rastogi, MD, Interim Chief Executive Officer
(Print name) (Print Title)

4-27-15
Date


Duly Authorized Agent for
Northeast Medical Group, Inc.

The above Agreed Settlement is hereby accepted and so ordered by the Department
of Public Health, Office of Health Care Access on 5/1/15.


Janet M. Brancifort, MPH
Deputy Commissioner

Greer, Leslie

From: Martone, Kim
Sent: Tuesday, May 12, 2015 11:20 AM
To: Hansted, Kevin; Riggott, Kaila
Cc: Greer, Leslie; Olejarz, Barbara
Subject: FW: docket 14-31937-CON
Attachments: maldonm2_5-12-2015_9-50-23.pdf

From: Hines, Christine [<mailto:Christine.Hines@YNHH.ORG>]
Sent: Tuesday, May 12, 2015 11:08 AM
To: Martone, Kim
Subject: docket 14-31937-CON

Good afternoon, attached is a signed document that has also been sent to you via fed-ex regarding docket # 14-31937-CON. Please let me know if you need anything further or have any questions.

Christine Hines
Director Practice Operations
Northeast Medical Group, Inc.
99 Hawley Lane, 3rd Floor
Stratford, CT 06614
Christine.hines@ynhh.org
(203) 502-6508 office
(203) 410-8754 cell



Please consider the environment before printing this email
Is there anything else I can do for you today?

From: Maldonado, Mirian
Sent: Tuesday, May 12, 2015 11:01 AM
To: Hines, Christine
Subject: FW: Equitrac Scan-to-Me

This one will go Fed ex tonight.

mm

From: MIRIAN.Maldonado@YNHH.ORG [<mailto:MIRIAN.Maldonado@YNHH.ORG>]
Sent: Tuesday, May 12, 2015 9:53 AM
To: Maldonado, Mirian
Subject: Equitrac Scan-to-Me

This message originates from the Yale New Haven Health System. The information contained in this message may be privileged and confidential. If you are the intended recipient you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message. Thank you.



VIA EMAIL AND OVERNIGHT MAIL

May 11, 2015

Ms. Kimberly R. Martone
Director of Operations
Office of Health Care Access
410 Capitol Ave., MS#13HCA
P.O. Box 340308
Hartford, CT 06134
kimberly.martone@po.state.ct.us

Re: Docket Number: 14-31937-CON

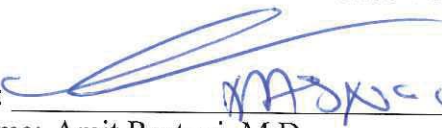
Dear Ms. Martone,

In accordance with the Agreed Settlement for the above referenced Docket Number, please find enclosed a copy of the Operating Agreement for NEMG Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center.

Please feel free to contact Jennifer Willcox at jennifer.willcox@ynhh.org or (203) 688-9966 if any additional information is required.

Thank you for your time and assistance.

NORTHEAST MEDICAL GROUP, INC.

By: 
Name: Amit Rastogi, M.D.
Title: Interim Chief Executive Officer

OPERATING AGREEMENT

OF

NEMG GASTROENTEROLOGY, LLC

THIS OPERATING AGREEMENT is made and entered into as of the 31st day of March, 2015 (the "*Effective Date*"), by and between **Northeast Medical Group, Inc.**, a Connecticut nonstock corporation ("*Member*") and **NEMG Gastroenterology, LLC**, a Connecticut limited liability company ("*Company*").

The Member desires to operate a limited liability company pursuant to the laws of the State of Connecticut on the terms and conditions set forth herein.

SECTION I

Definitions

For purposes of this Agreement, the following terms shall have the meanings specified unless the context otherwise requires:

"*Act*" means the Connecticut Limited Liability Company Act, as amended.

"*Affiliate*" means any corporation or other business entity which, directly or indirectly, controls, is controlled by, or is under common control with the Member. For purposes of this Agreement, "control" means ownership of at least fifty percent (50%) of the shares or other equity interest entitled to vote for the election of directors, in the case of a corporation, or equivalent governing body in the case of any other entity or otherwise the ability to direct the management decisions of such entities.

"*Agreement*" means this Operating Agreement, including all exhibits and amendments hereto.

"*Board of Directors*" or "*Board*" means the body established to govern the business, property and affairs of the Company pursuant to Section 5.1 of this Agreement.

"*Capital Contribution*" means the total amount of cash and the value (as determined by the Member) of the property contributed to the Company by the Member pursuant to the terms of this Agreement.

"*Cash Flow*" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any non-cash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements and replacements as determined by the Board of Directors and approved by the Member.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

"*Company*" means NEMG Gastroenterology, LLC.

"*Director*" means each of the individuals elected by the Member to the Board.

"*Distributions*" means distributions of cash or other property made by the Company to the Member from any source.

“**Exhibit A**” means the Exhibit attached to this Agreement containing the name and address of the Member and the number and class of Units owned by the Member.

“**Fiscal Year**” means the twelve months beginning October 1 and ending September 30.

“**Member**” means Northeast Medical Group, Inc. or any transferee of any Units held by Northeast Medical Group, Inc.

“**Person**” means any individual, partnership, corporation, trust, or other entity.

“**Unit**” shall mean an interest of a member in the Company entitling the holder to a share in Company profits, losses and operating distributions as provided herein.

SECTION II

General Provisions

2.1 Formation. The Company was formed upon the filing of Articles of Organization with the office of the Secretary of State of Connecticut on March 31, 2015. The Company constitutes a limited liability company formed pursuant to the Act and shall be governed by and operated in accordance with the provisions of this Agreement.

2.2 Name. The name of the Company is NEMG Gastroenterology, LLC.

2.3 Registered Office and Agent. The initial registered office of the Company is: c/o Northeast Medical Group, Inc., 226 Mill Hill Avenue, Bridgeport, CT 06610. The Company’s registered agent at that address is Peter F. Logue.

2.4 Principal Place of Business. The Company’s principal place of business shall be located at 888 White Plains Road, Trumbull, Connecticut 06611 or such other location, whether within or outside the State of Connecticut, as the Board determines.

2.5 Term. The term of the Company commenced on the filing of the Articles of Organization with the office of the Secretary of State of Connecticut and shall continue until dissolved unless terminated pursuant to the terms of this Agreement or the Act.

2.6 Purpose of the Company. The purposes of the Company are, in furtherance of objectives by and within legal limitations imposed upon the Member: to operate an ambulatory surgery center; to engage in any and all general business activities related or incident thereto consistent with the terms of this Agreement and applicable law; to provide the technical component of outpatient surgical services to a broad range of patients in Fairfield county and surrounding communities, including Medicare, Medicaid and indigent patients who otherwise could not pay for services and to generally participate in and provide assistance with respect to teaching, research and medical educational functions. It is intended that all acts, activities and business carried on by the Company will be consistent with the tax-exempt status of the Northeast Medical Group, Inc. and its Affiliates, under section 501(c)(3) of the Code for so long as Northeast Medical Group, Inc. or an Affiliate thereof is a Member.

2.7 Operating Agreement. The terms and conditions of the Member’s membership in the Company shall be governed by this Agreement, the Articles of Organization and the Act.

2.8 Title to Company Property. All assets owned by the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company as an entity, and the Member shall not have any direct ownership interest in such assets.

SECTION III

Capital Contributions; Units

3.1 Capital Contributions. The Member has made, or concurrently with the execution of this Agreement is making, the initial Capital Contribution to the Company as set forth on Exhibit A to this Agreement and shall receive the Units indicated thereon in consideration therefor. Exhibit A shall be amended by the Board from time to time to reflect any additional Capital Contributions made by the Member.

3.2 Units. The ownership interests in the Company shall be represented by "Units." There shall be initially authorized 500 Units. The ownership of the Units is as set forth in Exhibit A hereto, as amended from time to time. In the discretion of the Board of Directors, Units in the Company may be evidenced by a certificate in such form as the Board of Directors shall approve. Any such certificates shall be signed by the person(s) so authorized by the Board of Directors. The Company shall maintain a ledger on which the ownership of all Units, and all transfers of Units, shall be recorded, and no transfer of Units shall be effective as against the Company unless such transfer is recorded on such ledger.

SECTION IV

Membership Rights

4.1 Limitation of Liability. The Member's liability shall be limited as set forth in this Agreement, the Act and other applicable law.

4.2 Debt Liability. The Member will not, by reason of being the Member, be personally liable for any debts or losses of the Company beyond the Member's Capital Contribution.

4.3 Conflicts of Interest. The Member shall not be regarded as having violated a duty or obligation to the Company merely because the Member's conduct furthers the Member's own interest.

4.4 Contracts for Services of the Member. The Company may contract with the Member to provide services on terms and conditions agreed to by the Member.

SECTION V

Rights and Duties of Directors

5.1 Management by the Board of Directors. The business and affairs of the Company shall be governed by the Board of Directors. Except for situations in which the approval of the Member is expressly required by this Agreement, or by non-waivable provisions of the Act, the Board of Directors shall have full and complete authority, power and discretion, subject to the terms of this Agreement, to govern and control the Company's business, affairs and property and to manage, supervise and oversee the day-to-day management of the properties, business and affairs of the Company and implement all decisions regarding the business of the Company.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. In furtherance thereof, the Board shall be responsible for compliance with Medicare Conditions for Coverage for Ambulatory Surgery Centers and with the State of Connecticut Public Health Code. In addition, the Board shall be responsible for the appointment, organization and activities of the

Medical Staff (the "*Medical Staff*") and shall hold the Medical Staff responsible for recommendations concerning medical matters.

5.2 Number and Election of Directors. The Board of Directors shall consist of three (3) Directors. Directors shall be elected by the Member.

5.3 Term of Office. Subject to Sections 5.11 and 5.12, all Directors shall be elected for terms of one (1) year and shall serve until their successors are elected and qualified. Directors may be re-elected for any number of consecutive terms.

5.4 Power and Authority of the Board of Directors. Subject to the terms of this Agreement, the Board shall have the power and authority to cause the Company to do and perform all acts as may be necessary or appropriate to the conduct of the Company's business. Only the Board or duly authorized officer shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose, subject to the approval of the Member as required hereunder.

5.5 Vacancies. Any vacancy on the Board of Directors may be filled only by the Member.

5.6 Meetings of Board of Directors; Quorum. Regular meetings of the Board of Directors shall be held at least quarterly at such time and place as the Board of Directors shall from time to time designate at least three (3) business days in advance. A special meeting of the Board of Directors may be called by the President or the Member upon three (3) business days' written or oral notice to each Director. A majority of the Directors shall constitute a quorum for the transaction of business. Except as otherwise required by this Agreement, the act of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the act of the Board of Directors. Each Director of the Company shall have one vote on matters which come before the Board of Directors.

5.7 Proxies for Board of Directors. Any Director may delegate his or her vote as a Director to another Director by written proxy or power of attorney, on any matter that comes before the Board.

5.8 Informal Action. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if, prior or subsequent to the action, a written consent thereto is signed by a majority of the Directors or such greater number of Directors as required under this Agreement or the Act. The Secretary shall notify all Directors of any action taken by written consent.

5.9 Telephone Participation in Meetings. One or more Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at the meeting.

5.10 Compensation and Reimbursement for Expenses of Directors. The Board of Directors may provide, by adoption of a Company policy or otherwise, for reimbursement of reasonable expenses for attendance by any Director at any meeting of the Board of Directors. No Director shall be compensated, except for such reimbursement, for attending meetings or otherwise performing his or her duties as a Director.

5.11 Removal. A Director of the Company may be removed from office, with or without cause, by the Member.

5.12 Resignation. Any Director of the Company may resign at any time by giving written notice to the Member. The resignation of any Director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.13 Bank Accounts. The Company shall maintain bank accounts in the name of the Company in such banking institutions as the Member shall determine. All cash receipts of the Company shall be deposited in such accounts, and withdrawals shall be made on such signature or signatures as the Board shall determine. All monies deposited in such accounts shall be and remain the property of the Company until withdrawn and disbursed by the Company for the purposes specified in this Agreement. The Company shall not deposit in any of such accounts any funds other than funds belonging to the Company, and no other funds shall be commingled with such funds belonging to the Company.

5.14 Books. The Board shall maintain and preserve, during the term of the Company, and for five (5) years thereafter, all accounts, books, and other relevant Company documents. The Member shall have the right to inspect and copy such documents.

5.15 Third-Party Management Company. The Board shall have the power and authority to delegate to any Person the Board's duty to supervise and oversee the day-to-day management of the properties, business and affairs of the Company and may enter into management agreements to provide such management services, subject to approval thereof by the Member.

SECTION VI

Actions by Member

6.1 Annual Meetings. An annual meeting of the Member for the election of the Board of Directors and the transaction of such other business as may properly come before the meeting shall be held after the close of the Company's Fiscal Year at such time as shall be specified by the Board of Directors.

6.2 Special Meetings. Special meetings of the Member may be called at any time by the President, the Secretary, any Director or the Member, upon written request delivered to the President stating the purpose of the proposed meeting. Business transacted at all special meetings of Member shall be limited to the purpose stated in the notice of such meeting.

6.3 Place of Meetings. Meetings of the Member shall be held at such place within or outside the State of Connecticut as shall be specified from time to time by the Board.

6.4 Notice of Meetings. A written notice specifying the place, day, and hour of each meeting and, in the case of a special meeting, the nature of the business to be transacted, shall be given by, or at the direction of, the Secretary or other person authorized to call such meeting to the Member, at least three (3) business days but not more than fifty (50) calendar days prior to the day named for the meeting, unless a greater period of time is required by law in a particular case.

6.5 Voting by the Member. Any action which may be taken at a meeting of the Member may be taken without a meeting and evidenced in a written consent. Unless otherwise determined by the Member, the President of the Member shall be authorized to act on its behalf.

6.6 Member Approval. The approval of the Member shall be required in order for the Company to do any of the following:

(A) Sell, pledge or otherwise dispose of all or substantially all of the assets of the Company (whether by a single or by multiple transactions);

(B) Merge or consolidate with another Person;

(C) Amend the Articles of Organization or this Agreement or do any act in contravention of this Agreement or the Act;

(D) Dissolve, liquidate or wind up or take any action that reasonably could result in the dissolution, liquidation or winding up of the Company;

(E) Admit any Person as a member;

(F) Issue or sell any interest in the Company or grant any options or issue any warrants, convertible securities or other rights to acquire an interest in the Company

(G) Redeem any class of interest in the Company;

(H) Voluntarily commence a proceeding or case seeking (i) the liquidation, reorganization, dissolution or winding-up of the composition or readjustment of debts of the Company, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of the Company or of all or any substantial part of the assets of the Company or (iii) similar relief in respect of the Company under any law relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts;

(I) Engage the Company in any new line of business, suspend the business of the Company or change its principal offices;

(J) Authorize or effect any Distribution;

(K) Acquire stock, partnership interests or other legal or beneficial interests in any Person, or make any other investment in, or loans or advances to, any Person;

(L) Make any material change in the Company's accounting methods or practices or in the Company's depreciation or amortization policies or rates or make any material write-off as uncollectible of accounts receivable;

(M) Make any decision with respect to the treatment of any material transaction for income tax or financial accounting purposes;

- (N) Require or accept any additional Capital Contribution or guaranty of Company indebtedness or obligations required of the Member;
- (O) Guaranty or incur any loan or other indebtedness by the Company;
- (P) Purchase or otherwise acquire any assets or line of business or make any capital expenditure not in the ordinary course of business;
- (Q) Adopt or implement any policies, procedures, standards or regulations not consistent with the charity and free care policies of the Yale New Haven Health System;
- (R) Take any action that would, in the sole reasonable discretion of the Member, (i) jeopardize the tax-exempt status of the Member or any Affiliate pursuant to section 501(a) of the Code as an organization described in section 501(c)(3) of the Code, or (ii) jeopardize the Member's or any of its Affiliates' right to participate in any third-party payor programs (including without limitation, Medicare and Medicaid);
- (S) Approve the Company's Medical Staff bylaws;
- (T) Appoint, reappoint or dismiss a member of the Company's organized Medical Staff (which acts shall be undertaken in accordance with the Medical Staff bylaws and applicable law);
- (U) Select or replace any third-party management services provider;
- (V) Any determination by the Board of the fair market value of one or more Units;
- (W) The selection, firing or replacement of the Company's auditors;
- (X) Adopt or implement any policies, procedures, standards or regulations not consistent with the clinical quality, patient satisfaction, branding, marketing, quality assurance or compliance policies and standards required by the Member;
- (Y) Enter into any agreement between the Company and a provider of anesthesia, pathology or other services related to the services provided by the Company; or
- (Z) Take any other action requiring approval by the member of the Member as set forth in the Member's Certificate of Incorporation.

SECTION VII

Officers

7.1 Enumeration and Election. The officers of the Company shall consist of a President, a Secretary, and a Treasurer. The officers of the Company shall be elected by the Board of Directors; provided, however, that the President shall be elected by the Member. The Board of Directors may also elect such other officers and assistant officers as the Board of Directors shall deem necessary from time to time. The President shall be a member of the Board

of Directors and shall preside at meetings of the Board of Directors. Any two or more offices may be held by the same person.

7.2 President. The President shall have general and active charge and control over the business and affairs of the Company, subject to the direction of the Board of Directors. The President shall develop for adoption by the Board of Directors and approval by the Member a Patient Bill of Rights conforming to applicable laws and regulations.

7.3 Secretary. The Secretary shall keep a record of the minutes of the proceedings of meetings of the Member and of the Board of Directors, and shall give notice of all such meetings as required by the Act or this Agreement. The Secretary shall have custody of the books, records, and papers of the Company, except such as shall be in the charge of the Treasurer or of another person authorized to have custody and possession thereof by resolution of the Board of Directors. The Secretary shall also have such other powers and perform such other duties as shall be prescribed from time to time by, or pursuant to authority delegated by, the Board of Directors.

7.4 Treasurer. The Treasurer shall keep full and accurate accounts of the receipts and disbursements of the Company in books belonging to the Company, shall deposit all monies and other valuable effects of the Company in the name and to the credit of the Company in such depositories as may be designated by the Board of Directors, and shall also have such other powers and perform such other duties as shall be prescribed from time to time by, or pursuant to authority delegated by, the Board of Directors.

7.5 Other Officers and Assistant Officers. The powers and duties of each other officer who may from time to time be chosen by the Board of Directors shall be as specified by the Board of Directors. Each assistant officer shall assist in the performance of the duties of the officer to which he or she is assistant, and shall have the powers and perform the duties of such officer during such officer's absence or inability to act.

7.6 Term and Compensation. Each officer or assistant officer shall serve at the pleasure of the Board of Directors or Member, as applicable. Officers and assistant officers shall receive no compensation as such, but may be compensated as determined by the Board of Directors.

SECTION VIII

Tax Matters

The Company shall be disregarded as an entity separate from the Member for U.S. federal and state income tax purposes and all items of income, gain, loss, credit or deduction of the Company shall be considered items of income, gain, loss, credit or deduction of the Member.

SECTION IX

Distributions

Cash Flow prior to dissolution shall be distributed to the Member at such times as shall be determined by the Member.

SECTION X

Accounting; Books and Records

10.1. Accounting. Except as specifically provided to the contrary herein, all decisions as to accounting matters for both financial and tax reporting shall be made for the Company by the Member, including without limitation, decisions with regard to the method of accounting, the allocation of net profits and losses and the accounting conventions to be used in connection with the admission or withdrawal of a member or a change in a continuing member's Units.

10.2. Books, Records, Reports, etc. The Company shall maintain full and accurate books at its principal office, or in such offices as shall be designated for such purposes by the Board of Directors. At a minimum the Company shall keep at its principal place of business the following records:

- (A) A current list setting forth in alphabetical order the full name and last known business, residence, or other mailing address of each member, both past and present;
- (B) A copy of the Articles of Organization and all amendments thereto;
- (C) Copies of this Agreement and all amendments thereto and copies of any written operating agreements no longer in effect;
- (D) A writing setting forth the amount of cash, if any, and a statement of the agreed value of other property or services contributed by the Member and the times at which or the events upon the happening of which any additional contributions are to be made by the Member;
- (E) A writing stating events, if any, upon the happening of which the Company is to be dissolved and its affairs wound up; and
- (F) Other writings, if any, prepared pursuant to a requirement in this Agreement.

10.3. Financial Reports. As soon as practicable after the close of each Fiscal Year, the Board of Directors shall cause the Company to prepare for distribution to the Member a financial report of the Company for such year. The financial report shall include a balance sheet, a statement of profit and loss, and schedules showing (a) Distributions to the Member and (b) all necessary tax reporting information required by the Member for preparation of its tax returns.

SECTION XI

Dissolution

11.1. Dissolution. The Company shall be dissolved and its affairs shall be wound up in accordance with the Act and this Agreement upon the happening of the first to occur of the following:

- (A) Sale of substantially all of the assets of the Company;
- (B) Written consent or directive of the Member;
- (C) Entry of a decree of judicial dissolution under the Act.

11.2. Articles or Certificates. Upon dissolution, the Board of Directors shall cause the Company to file such articles, certificates or notices as may be required by the Act or by other applicable law.

SECTION XII

Winding Up

12.1. Liquidation. The business and affairs of the Company shall be wound up by the Board of Directors. The persons winding up the business and affairs of the Company may sell or otherwise convert all property of the Company into cash or receivables to the extent practicable except as the Company is permitted or obligated to transfer the same in satisfaction of the Company's obligations under this Agreement. In the event of the dissolution of the Company, the Board of Directors shall proceed to the liquidation of the Company and the proceeds of such liquidation shall be applied and distributed in the following order of priority:

(A) To expenses of liquidation and to creditors, including the Member, in satisfaction of liabilities of the Company in the order of priority as provided by law;

(B) To the setting up of any reserves deemed reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company, such reserve to be paid over to a commercial bank or an attorney-at-law, as escrowee, to be held for the purpose of disbursing such reserves in payment of any of the aforementioned contingencies and, at the expiration of such period as shall be deemed advisable, any balance to be distributed in the manner hereinafter provided;

(C) Any balance remaining shall be distributed the Member.

12.2. Distribution in Kind. Upon dissolution of the Company, the assets of the Company may be distributed in kind upon approval of the Member.

12.3. Winding Up. A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities of creditors so as to enable the Member to minimize the normal losses attendant upon a liquidation.

SECTION XIII

Miscellaneous

13.1. No Waiver. The failure of the Member to insist upon the strict performance of any covenant or obligation under this Agreement shall not be deemed a waiver or relinquishment of the Member's right to demand strict compliance in the future with respect to such covenant or obligation or any other covenant or obligation, and no consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall be deemed to constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation under this Agreement.

13.2. Captions. The captions contained in this Agreement have been inserted for convenience only and shall not affect or be effective to interpret, change or restrict the express terms and provisions of this Agreement.

13.3. Entire Agreement. This Agreement constitutes the entire agreement between the Company and the Member with respect to the subject matter hereof and supersedes any and all previous agreements, written or oral, between the Company and the Member with respect to the

subject matter hereof. No covenant, representation or condition not expressed in this Agreement shall affect or be effective to interpret, change or restrict the express terms and provisions of this Agreement.

13.4. Counterparts. This Agreement may be executed in any number of counterparts and all of such counterparts shall constitute one and the same Agreement for all purposes, binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. All references herein to this Agreement are deemed to refer to all such counterparts.

13.5. Successors and Assigns, etc. Except as otherwise provided in this Agreement, the covenants, conditions, agreements and terms of this Agreement shall be binding upon and inure to the benefit of the Member and its successors and permitted assigns. None of the provisions of this Agreement shall be for the benefit of, or enforceable by, any creditors of the Company.

13.6. Governing Law. All questions with respect to the construction of this Agreement and the rights and liabilities of the parties shall be determined in accordance with the applicable provisions of the laws of the State of Connecticut, without giving effect to its conflict of laws principles.

13.7. Further Actions. Each of the Company and the Member shall take all such further action and execute and deliver such additional documents as may be necessary to implement the provisions of this Agreement.

13.8. Remedies. The parties acknowledge that in the event that a party breaches or threatens to breach any provision of this Agreement, the remedies at law available to the other parties may be inadequate, and therefore such other parties will be entitled to appropriate injunctive and other relief, without posting bond, in addition to their legal remedies. Neither any failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof, shall constitute a waiver by such party of its right to exercise any such right, power or remedy or to demand such compliance.

13.9. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

13.10. Construction. As used herein, unless the context otherwise requires: (A) the terms defined herein shall have the meaning set forth herein for all purposes; (B) references to "Section" are to a section hereof; (C) "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; (D) "writing," "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; (E) "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any

particular section hereof; (F) references to an agreement or other instrument or statute or regulation are referred to as amended and supplemented from time to time and, in the case of a statute or regulation, any successor provisions thereof. All references made and pronouns used herein shall be construed in the singular or plural, and in such gender, as the sense and circumstances require.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have signed this Agreement effective as of the Effective Date first above written.

Member:

NORTHEAST MEDICAL GROUP, INC.

By:  _____

Name: Amit Rastogi, M.D.

Title: Interim Chief Executive Officer

Company:

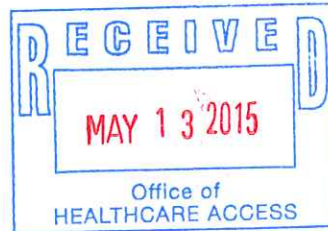
NEMG GASTROENTEROLOGY, LLC

By:  _____

Name: Arnold DeRosario, M.D.

Title: President

VIA EMAIL AND OVERNIGHT MAIL



May 11, 2015

Ms. Kimberly R. Martone
Director of Operations
Office of Health Care Access
410 Capitol Ave., MS#13HCA
P.O. Box 340308
Hartford, CT 06134
kimberly.martone@po.state.ct.us

Re: Docket Number: 14-31937-CON

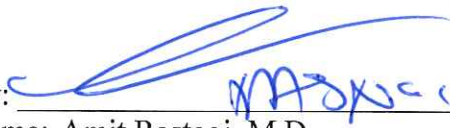
Dear Ms. Martone,

In accordance with the Agreed Settlement for the above referenced Docket Number, please find enclosed a copy of the Operating Agreement for NEMG Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center.

Please feel free to contact Jennifer Willcox at jennifer.willcox@ynhh.org or (203) 688-9966 if any additional information is required.

Thank you for your time and assistance.

NORTHEAST MEDICAL GROUP, INC.

By: 
Name: Amit Rastogi, M.D.
Title: Interim Chief Executive Officer

OPERATING AGREEMENT

OF

NEMG GASTROENTEROLOGY, LLC

THIS OPERATING AGREEMENT is made and entered into as of the 31st day of March, 2015 (the "*Effective Date*"), by and between **Northeast Medical Group, Inc.**, a Connecticut nonstock corporation ("*Member*") and **NEMG Gastroenterology, LLC**, a Connecticut limited liability company ("*Company*").

The Member desires to operate a limited liability company pursuant to the laws of the State of Connecticut on the terms and conditions set forth herein.

SECTION I

Definitions

For purposes of this Agreement, the following terms shall have the meanings specified unless the context otherwise requires:

"*Act*" means the Connecticut Limited Liability Company Act, as amended.

"*Affiliate*" means any corporation or other business entity which, directly or indirectly, controls, is controlled by, or is under common control with the Member. For purposes of this Agreement, "control" means ownership of at least fifty percent (50%) of the shares or other equity interest entitled to vote for the election of directors, in the case of a corporation, or equivalent governing body in the case of any other entity or otherwise the ability to direct the management decisions of such entities.

"*Agreement*" means this Operating Agreement, including all exhibits and amendments hereto.

"*Board of Directors*" or "*Board*" means the body established to govern the business, property and affairs of the Company pursuant to Section 5.1 of this Agreement.

"*Capital Contribution*" means the total amount of cash and the value (as determined by the Member) of the property contributed to the Company by the Member pursuant to the terms of this Agreement.

"*Cash Flow*" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any non-cash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements and replacements as determined by the Board of Directors and approved by the Member.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

"*Company*" means NEMG Gastroenterology, LLC.

"*Director*" means each of the individuals elected by the Member to the Board.

"*Distributions*" means distributions of cash or other property made by the Company to the Member from any source.

“*Exhibit A*” means the Exhibit attached to this Agreement containing the name and address of the Member and the number and class of Units owned by the Member.

“*Fiscal Year*” means the twelve months beginning October 1 and ending September 30.

“*Member*” means Northeast Medical Group, Inc. or any transferee of any Units held by Northeast Medical Group, Inc.

“*Person*” means any individual, partnership, corporation, trust, or other entity.

“*Unit*” shall mean an interest of a member in the Company entitling the holder to a share in Company profits, losses and operating distributions as provided herein.

SECTION II

General Provisions

2.1 Formation. The Company was formed upon the filing of Articles of Organization with the office of the Secretary of State of Connecticut on March 31, 2015. The Company constitutes a limited liability company formed pursuant to the Act and shall be governed by and operated in accordance with the provisions of this Agreement.

2.2 Name. The name of the Company is NEMG Gastroenterology, LLC.

2.3 Registered Office and Agent. The initial registered office of the Company is: c/o Northeast Medical Group, Inc., 226 Mill Hill Avenue, Bridgeport, CT 06610. The Company’s registered agent at that address is Peter F. Logue.

2.4 Principal Place of Business. The Company’s principal place of business shall be located at 888 White Plains Road, Trumbull, Connecticut 06611 or such other location, whether within or outside the State of Connecticut, as the Board determines.

2.5 Term. The term of the Company commenced on the filing of the Articles of Organization with the office of the Secretary of State of Connecticut and shall continue until dissolved unless terminated pursuant to the terms of this Agreement or the Act.

2.6 Purpose of the Company. The purposes of the Company are, in furtherance of objectives by and within legal limitations imposed upon the Member: to operate an ambulatory surgery center; to engage in any and all general business activities related or incident thereto consistent with the terms of this Agreement and applicable law; to provide the technical component of outpatient surgical services to a broad range of patients in Fairfield county and surrounding communities, including Medicare, Medicaid and indigent patients who otherwise could not pay for services and to generally participate in and provide assistance with respect to teaching, research and medical educational functions. It is intended that all acts, activities and business carried on by the Company will be consistent with the tax-exempt status of the Northeast Medical Group, Inc. and its Affiliates, under section 501(c)(3) of the Code for so long as Northeast Medical Group, Inc. or an Affiliate thereof is a Member.

2.7 Operating Agreement. The terms and conditions of the Member’s membership in the Company shall be governed by this Agreement, the Articles of Organization and the Act.

2.8 Title to Company Property. All assets owned by the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company as an entity, and the Member shall not have any direct ownership interest in such assets.

SECTION III

Capital Contributions; Units

3.1 **Capital Contributions.** The Member has made, or concurrently with the execution of this Agreement is making, the initial Capital Contribution to the Company as set forth on Exhibit A to this Agreement and shall receive the Units indicated thereon in consideration therefor. Exhibit A shall be amended by the Board from time to time to reflect any additional Capital Contributions made by the Member.

3.2 **Units.** The ownership interests in the Company shall be represented by "Units." There shall be initially authorized 500 Units. The ownership of the Units is as set forth in Exhibit A hereto, as amended from time to time. In the discretion of the Board of Directors, Units in the Company may be evidenced by a certificate in such form as the Board of Directors shall approve. Any such certificates shall be signed by the person(s) so authorized by the Board of Directors. The Company shall maintain a ledger on which the ownership of all Units, and all transfers of Units, shall be recorded, and no transfer of Units shall be effective as against the Company unless such transfer is recorded on such ledger.

SECTION IV

Membership Rights

4.1 **Limitation of Liability.** The Member's liability shall be limited as set forth in this Agreement, the Act and other applicable law.

4.2 **Debt Liability.** The Member will not, by reason of being the Member, be personally liable for any debts or losses of the Company beyond the Member's Capital Contribution.

4.3 **Conflicts of Interest.** The Member shall not be regarded as having violated a duty or obligation to the Company merely because the Member's conduct furthers the Member's own interest.

4.4 **Contracts for Services of the Member.** The Company may contract with the Member to provide services on terms and conditions agreed to by the Member.

SECTION V

Rights and Duties of Directors

5.1 **Management by the Board of Directors.** The business and affairs of the Company shall be governed by the Board of Directors. Except for situations in which the approval of the Member is expressly required by this Agreement, or by non-waivable provisions of the Act, the Board of Directors shall have full and complete authority, power and discretion, subject to the terms of this Agreement, to govern and control the Company's business, affairs and property and to manage, supervise and oversee the day-to-day management of the properties, business and affairs of the Company and implement all decisions regarding the business of the Company.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. In furtherance thereof, the Board shall be responsible for compliance with Medicare Conditions for Coverage for Ambulatory Surgery Centers and with the State of Connecticut Public Health Code. In addition, the Board shall be responsible for the appointment, organization and activities of the

Medical Staff (the "*Medical Staff*") and shall hold the Medical Staff responsible for recommendations concerning medical matters.

5.2 Number and Election of Directors. The Board of Directors shall consist of three (3) Directors. Directors shall be elected by the Member.

5.3 Term of Office. Subject to Sections 5.11 and 5.12, all Directors shall be elected for terms of one (1) year and shall serve until their successors are elected and qualified. Directors may be re-elected for any number of consecutive terms.

5.4 Power and Authority of the Board of Directors. Subject to the terms of this Agreement, the Board shall have the power and authority to cause the Company to do and perform all acts as may be necessary or appropriate to the conduct of the Company's business. Only the Board or duly authorized officer shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose, subject to the approval of the Member as required hereunder.

5.5 Vacancies. Any vacancy on the Board of Directors may be filled only by the Member.

5.6 Meetings of Board of Directors; Quorum. Regular meetings of the Board of Directors shall be held at least quarterly at such time and place as the Board of Directors shall from time to time designate at least three (3) business days in advance. A special meeting of the Board of Directors may be called by the President or the Member upon three (3) business days' written or oral notice to each Director. A majority of the Directors shall constitute a quorum for the transaction of business. Except as otherwise required by this Agreement, the act of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the act of the Board of Directors. Each Director of the Company shall have one vote on matters which come before the Board of Directors.

5.7 Proxies for Board of Directors. Any Director may delegate his or her vote as a Director to another Director by written proxy or power of attorney, on any matter that comes before the Board.

5.8 Informal Action. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if, prior or subsequent to the action, a written consent thereto is signed by a majority of the Directors or such greater number of Directors as required under this Agreement or the Act. The Secretary shall notify all Directors of any action taken by written consent.

5.9 Telephone Participation in Meetings. One or more Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at the meeting.

5.10 Compensation and Reimbursement for Expenses of Directors. The Board of Directors may provide, by adoption of a Company policy or otherwise, for reimbursement of reasonable expenses for attendance by any Director at any meeting of the Board of Directors. No Director shall be compensated, except for such reimbursement, for attending meetings or otherwise performing his or her duties as a Director.

5.11 Removal. A Director of the Company may be removed from office, with or without cause, by the Member.

5.12 Resignation. Any Director of the Company may resign at any time by giving written notice to the Member. The resignation of any Director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.13 Bank Accounts. The Company shall maintain bank accounts in the name of the Company in such banking institutions as the Member shall determine. All cash receipts of the Company shall be deposited in such accounts, and withdrawals shall be made on such signature or signatures as the Board shall determine. All monies deposited in such accounts shall be and remain the property of the Company until withdrawn and disbursed by the Company for the purposes specified in this Agreement. The Company shall not deposit in any of such accounts any funds other than funds belonging to the Company, and no other funds shall be commingled with such funds belonging to the Company.

5.14 Books. The Board shall maintain and preserve, during the term of the Company, and for five (5) years thereafter, all accounts, books, and other relevant Company documents. The Member shall have the right to inspect and copy such documents.

5.15 Third-Party Management Company. The Board shall have the power and authority to delegate to any Person the Board's duty to supervise and oversee the day-to-day management of the properties, business and affairs of the Company and may enter into management agreements to provide such management services, subject to approval thereof by the Member.

SECTION VI

Actions by Member

6.1 Annual Meetings. An annual meeting of the Member for the election of the Board of Directors and the transaction of such other business as may properly come before the meeting shall be held after the close of the Company's Fiscal Year at such time as shall be specified by the Board of Directors.

6.2 Special Meetings. Special meetings of the Member may be called at any time by the President, the Secretary, any Director or the Member, upon written request delivered to the President stating the purpose of the proposed meeting. Business transacted at all special meetings of Member shall be limited to the purpose stated in the notice of such meeting.

6.3 Place of Meetings. Meetings of the Member shall be held at such place within or outside the State of Connecticut as shall be specified from time to time by the Board.

6.4 Notice of Meetings. A written notice specifying the place, day, and hour of each meeting and, in the case of a special meeting, the nature of the business to be transacted, shall be given by, or at the direction of, the Secretary or other person authorized to call such meeting to the Member, at least three (3) business days but not more than fifty (50) calendar days prior to the day named for the meeting, unless a greater period of time is required by law in a particular case.

6.5 Voting by the Member. Any action which may be taken at a meeting of the Member may be taken without a meeting and evidenced in a written consent. Unless otherwise determined by the Member, the President of the Member shall be authorized to act on its behalf.

6.6 Member Approval. The approval of the Member shall be required in order for the Company to do any of the following:

(A) Sell, pledge or otherwise dispose of all or substantially all of the assets of the Company (whether by a single or by multiple transactions);

(B) Merge or consolidate with another Person;

(C) Amend the Articles of Organization or this Agreement or do any act in contravention of this Agreement or the Act;

(D) Dissolve, liquidate or wind up or take any action that reasonably could result in the dissolution, liquidation or winding up of the Company;

(E) Admit any Person as a member;

(F) Issue or sell any interest in the Company or grant any options or issue any warrants, convertible securities or other rights to acquire an interest in the Company

(G) Redeem any class of interest in the Company;

(H) Voluntarily commence a proceeding or case seeking (i) the liquidation, reorganization, dissolution or winding-up of the composition or readjustment of debts of the Company, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of the Company or of all or any substantial part of the assets of the Company or (iii) similar relief in respect of the Company under any law relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts;

(I) Engage the Company in any new line of business, suspend the business of the Company or change its principal offices;

(J) Authorize or effect any Distribution;

(K) Acquire stock, partnership interests or other legal or beneficial interests in any Person, or make any other investment in, or loans or advances to, any Person;

(L) Make any material change in the Company's accounting methods or practices or in the Company's depreciation or amortization policies or rates or make any material write-off as uncollectible of accounts receivable;

(M) Make any decision with respect to the treatment of any material transaction for income tax or financial accounting purposes;

(N) Require or accept any additional Capital Contribution or guaranty of Company indebtedness or obligations required of the Member;

(O) Guaranty or incur any loan or other indebtedness by the Company;

(P) Purchase or otherwise acquire any assets or line of business or make any capital expenditure not in the ordinary course of business;

(Q) Adopt or implement any policies, procedures, standards or regulations not consistent with the charity and free care policies of the Yale New Haven Health System;

(R) Take any action that would, in the sole reasonable discretion of the Member, (i) jeopardize the tax-exempt status of the Member or any Affiliate pursuant to section 501(a) of the Code as an organization described in section 501(c)(3) of the Code, or (ii) jeopardize the Member's or any of its Affiliates' right to participate in any third-party payor programs (including without limitation, Medicare and Medicaid);

(S) Approve the Company's Medical Staff bylaws;

(T) Appoint, reappoint or dismiss a member of the Company's organized Medical Staff (which acts shall be undertaken in accordance with the Medical Staff bylaws and applicable law);

(U) Select or replace any third-party management services provider;

(V) Any determination by the Board of the fair market value of one or more Units;

(W) The selection, firing or replacement of the Company's auditors;

(X) Adopt or implement any policies, procedures, standards or regulations not consistent with the clinical quality, patient satisfaction, branding, marketing, quality assurance or compliance policies and standards required by the Member;

(Y) Enter into any agreement between the Company and a provider of anesthesia, pathology or other services related to the services provided by the Company; or

(Z) Take any other action requiring approval by the member of the Member as set forth in the Member's Certificate of Incorporation.

SECTION VII

Officers

7.1 Enumeration and Election. The officers of the Company shall consist of a President, a Secretary, and a Treasurer. The officers of the Company shall be elected by the Board of Directors; provided, however, that the President shall be elected by the Member. The Board of Directors may also elect such other officers and assistant officers as the Board of Directors shall deem necessary from time to time. The President shall be a member of the Board

of Directors and shall preside at meetings of the Board of Directors. Any two or more offices may be held by the same person.

7.2 President. The President shall have general and active charge and control over the business and affairs of the Company, subject to the direction of the Board of Directors. The President shall develop for adoption by the Board of Directors and approval by the Member a Patient Bill of Rights conforming to applicable laws and regulations.

7.3 Secretary. The Secretary shall keep a record of the minutes of the proceedings of meetings of the Member and of the Board of Directors, and shall give notice of all such meetings as required by the Act or this Agreement. The Secretary shall have custody of the books, records, and papers of the Company, except such as shall be in the charge of the Treasurer or of another person authorized to have custody and possession thereof by resolution of the Board of Directors. The Secretary shall also have such other powers and perform such other duties as shall be prescribed from time to time by, or pursuant to authority delegated by, the Board of Directors.

7.4 Treasurer. The Treasurer shall keep full and accurate accounts of the receipts and disbursements of the Company in books belonging to the Company, shall deposit all monies and other valuable effects of the Company in the name and to the credit of the Company in such depositories as may be designated by the Board of Directors, and shall also have such other powers and perform such other duties as shall be prescribed from time to time by, or pursuant to authority delegated by, the Board of Directors.

7.5 Other Officers and Assistant Officers. The powers and duties of each other officer who may from time to time be chosen by the Board of Directors shall be as specified by the Board of Directors. Each assistant officer shall assist in the performance of the duties of the officer to which he or she is assistant, and shall have the powers and perform the duties of such officer during such officer's absence or inability to act.

7.6 Term and Compensation. Each officer or assistant officer shall serve at the pleasure of the Board of Directors or Member, as applicable. Officers and assistant officers shall receive no compensation as such, but may be compensated as determined by the Board of Directors.

SECTION VIII

Tax Matters

The Company shall be disregarded as an entity separate from the Member for U.S. federal and state income tax purposes and all items of income, gain, loss, credit or deduction of the Company shall be considered items of income, gain, loss, credit or deduction of the Member.

SECTION IX

Distributions

Cash Flow prior to dissolution shall be distributed to the Member at such times as shall be determined by the Member.

SECTION X

Accounting; Books and Records

10.1. Accounting. Except as specifically provided to the contrary herein, all decisions as to accounting matters for both financial and tax reporting shall be made for the Company by the Member, including without limitation, decisions with regard to the method of accounting, the allocation of net profits and losses and the accounting conventions to be used in connection with the admission or withdrawal of a member or a change in a continuing member's Units.

10.2. Books, Records, Reports, etc. The Company shall maintain full and accurate books at its principal office, or in such offices as shall be designated for such purposes by the Board of Directors. At a minimum the Company shall keep at its principal place of business the following records:

- (A) A current list setting forth in alphabetical order the full name and last known business, residence, or other mailing address of each member, both past and present;
- (B) A copy of the Articles of Organization and all amendments thereto;
- (C) Copies of this Agreement and all amendments thereto and copies of any written operating agreements no longer in effect;
- (D) A writing setting forth the amount of cash, if any, and a statement of the agreed value of other property or services contributed by the Member and the times at which or the events upon the happening of which any additional contributions are to be made by the Member;
- (E) A writing stating events, if any, upon the happening of which the Company is to be dissolved and its affairs wound up; and
- (F) Other writings, if any, prepared pursuant to a requirement in this Agreement.

10.3. Financial Reports. As soon as practicable after the close of each Fiscal Year, the Board of Directors shall cause the Company to prepare for distribution to the Member a financial report of the Company for such year. The financial report shall include a balance sheet, a statement of profit and loss, and schedules showing (a) Distributions to the Member and (b) all necessary tax reporting information required by the Member for preparation of its tax returns.

SECTION XI

Dissolution

11.1. Dissolution. The Company shall be dissolved and its affairs shall be wound up in accordance with the Act and this Agreement upon the happening of the first to occur of the following:

- (A) Sale of substantially all of the assets of the Company;
- (B) Written consent or directive of the Member;
- (C) Entry of a decree of judicial dissolution under the Act.

11.2. Articles or Certificates. Upon dissolution, the Board of Directors shall cause the Company to file such articles, certificates or notices as may be required by the Act or by other applicable law.

SECTION XII

Winding Up

12.1. Liquidation. The business and affairs of the Company shall be wound up by the Board of Directors. The persons winding up the business and affairs of the Company may sell or otherwise convert all property of the Company into cash or receivables to the extent practicable except as the Company is permitted or obligated to transfer the same in satisfaction of the Company's obligations under this Agreement. In the event of the dissolution of the Company, the Board of Directors shall proceed to the liquidation of the Company and the proceeds of such liquidation shall be applied and distributed in the following order of priority:

(A) To expenses of liquidation and to creditors, including the Member, in satisfaction of liabilities of the Company in the order of priority as provided by law;

(B) To the setting up of any reserves deemed reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company, such reserve to be paid over to a commercial bank or an attorney-at-law, as escrowee, to be held for the purpose of disbursing such reserves in payment of any of the aforementioned contingencies and, at the expiration of such period as shall be deemed advisable, any balance to be distributed in the manner hereinafter provided;

(C) Any balance remaining shall be distributed the Member.

12.2. Distribution in Kind. Upon dissolution of the Company, the assets of the Company may be distributed in kind upon approval of the Member.

12.3. Winding Up. A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities of creditors so as to enable the Member to minimize the normal losses attendant upon a liquidation.

SECTION XIII

Miscellaneous

13.1. No Waiver. The failure of the Member to insist upon the strict performance of any covenant or obligation under this Agreement shall not be deemed a waiver or relinquishment of the Member's right to demand strict compliance in the future with respect to such covenant or obligation or any other covenant or obligation, and no consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall be deemed to constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation under this Agreement.

13.2. Captions. The captions contained in this Agreement have been inserted for convenience only and shall not affect or be effective to interpret, change or restrict the express terms and provisions of this Agreement.

13.3. Entire Agreement. This Agreement constitutes the entire agreement between the Company and the Member with respect to the subject matter hereof and supersedes any and all previous agreements, written or oral, between the Company and the Member with respect to the

subject matter hereof. No covenant, representation or condition not expressed in this Agreement shall affect or be effective to interpret, change or restrict the express terms and provisions of this Agreement.

13.4. Counterparts. This Agreement may be executed in any number of counterparts and all of such counterparts shall constitute one and the same Agreement for all purposes, binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. All references herein to this Agreement are deemed to refer to all such counterparts.

13.5. Successors and Assigns, etc. Except as otherwise provided in this Agreement, the covenants, conditions, agreements and terms of this Agreement shall be binding upon and inure to the benefit of the Member and its successors and permitted assigns. None of the provisions of this Agreement shall be for the benefit of, or enforceable by, any creditors of the Company.

13.6. Governing Law. All questions with respect to the construction of this Agreement and the rights and liabilities of the parties shall be determined in accordance with the applicable provisions of the laws of the State of Connecticut, without giving effect to its conflict of laws principles.

13.7. Further Actions. Each of the Company and the Member shall take all such further action and execute and deliver such additional documents as may be necessary to implement the provisions of this Agreement.

13.8. Remedies. The parties acknowledge that in the event that a party breaches or threatens to breach any provision of this Agreement, the remedies at law available to the other parties may be inadequate, and therefore such other parties will be entitled to appropriate injunctive and other relief, without posting bond, in addition to their legal remedies. Neither any failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof, shall constitute a waiver by such party of its right to exercise any such right, power or remedy or to demand such compliance.

13.9. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

13.10. Construction. As used herein, unless the context otherwise requires: (A) the terms defined herein shall have the meaning set forth herein for all purposes; (B) references to "Section" are to a section hereof; (C) "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; (D) "writing," "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; (E) "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any


particular section hereof; (F) references to an agreement or other instrument or statute or regulation are referred to as amended and supplemented from time to time and, in the case of a statute or regulation, any successor provisions thereof. All references made and pronouns used herein shall be construed in the singular or plural, and in such gender, as the sense and circumstances require.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have signed this Agreement effective as of the Effective Date first above written.

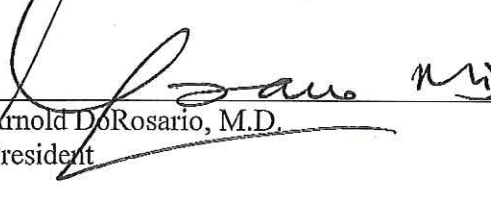
Member:

NORTHEAST MEDICAL GROUP, INC.

By: 
Name: Amit Rastogi, M.D.
Title: Interim Chief Executive Officer

Company:

NEMG GASTROENTEROLOGY, LLC

By: 
Name: Arnold DeRosario, M.D.
Title: President

Huber, Jack

From: Huber, Jack
Sent: Thursday, April 30, 2015 11:38 AM
To: Rosenthal, Nancy (Nancy.Rosenthal@greenwichhospital.org)
Cc: Roberts, Karen
Subject: Notice of CON Expiration Date for the Decision Rendered under Docket Number: 14-31937-CON

Dear Ms. Rosenthal:

On April 10, 2015, in a final decision under Docket Number: 14-31937-CON, the Office of Health Care Access authorized a Certificate of Need ("CON") to PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center for the transfer of ownership of PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center to Northeast Medical Group. Pursuant to Section 19a-639b of the Connecticut General Statutes ("C.G.S."), *"a certificate of need shall be valid for two years from the date of issuance by this office."*

With this letter, please be advised that pursuant to Section 19a-639b, C.G.S., the current CON authorization issued under Docket Number: 14-31937-CON will expire on April 10, 2017. Please contact me at (860) 418-7069 or Karen Roberts, Principal Health Care Analyst at (860) 418-7041, if you have any questions regarding this notification.

Sincerely,

Jack A. Huber

Jack A. Huber
Health Care Analyst
Department of Public Health | Office of Health Care Access | 410 Capitol Avenue
P.O. Box 340308 MS #13HCA | Hartford, CT 06134 | Ph: 860-418-7069 | Fax: 860-418-7053 | email: Jack.Huber@ct.gov