Application Checklist

Instructions:

1. **Please check each box below, as appropriate; and**
2. **The completed checklist *must* be submitted as the first page of the CON application.**

X☐ **Attached is the CON application filing fee in the form of a certified, cashier or business check made out to the "Treasurer State of Connecticut" in the amount of $500.**

For OHCA Use Only:

Docket No.: 14-31902-CON **Check No.:** 007337
OHCA Verified by: KR **Date:** 2-19-14

X☐ **Attached is evidence demonstrating that public notice has been published in a suitable newspaper that relates to the location of the proposal, 3 days in a row, at least 20 days prior to the submission of the CON application to OHCA. (*OHCA requests that the Applicant fax a courtesy copy to OHCA (860) 418-7053, at the time of the publication)***

X☐ **Attached is a paginated hard copy of the CON application including a completed affidavit, signed and notarized by the appropriate individuals.**

X☐ **Attached are completed Financial Attachments I and II.**

X☐ **Submission includes one (1) original and four (4) hard copies with each set placed in 3-ring binders.**

Note: **A CON application may be filed with OHCA electronically through email, if the total number of pages submitted is 50 pages or less. In this case, the CON Application must be emailed to the following email addresses: steven.lazarus@ct.gov and leslie.greer@ct.gov.**

Important: **For CON applications(less than 50 pages) filed electronically through email, the singed affidavit and the check in the amount of $500 must be delivered to OHCA in hardcopy.**

X☐ **The following have been submitted on a CD**

1. **A scanned copy of each submission in its entirety, including all attachments in Adobe (.pdf) format.**
2. **An electronic copy of the documents in MS Word and MS Excel as appropriate.**

AFFIDAVIT

Applicant: Gaylord Specialty HealthCare

Project Title: Termination of Service, Gaylord Sleep Medicine-Guilford

I, Janine Epright, CFO
(Individual's Name) (Position Title – CEO or CFO)

of Gaylord Hospital being duly sworn, depose and state that
(Hospital or Facility Name)

Gaylord Sleep Medicine, Guilford's information submitted in this Certificate of
(Hospital or Facility Name)

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

Janine Epright
Signature

12/30/13
Date

Subscribed and sworn to before me on 12/30/13

M Walker

Notary Public/Commissioner of Superior Court

My commission expires: MAR 31 2016

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: Gaylord Hospital

Contact Person: Janine Epright

Contact Person's Title: CFO

Contact Person's Address: Gaylord Hospital, P.O. Box 400, Gaylord Farms Road, Wallingford, CT 06492

Contact Person's Phone Number: 203-284-2800

Contact Person's Fax Number: 203-741-3408

Contact Person's Email Address: jepright@gaylord.org

Project Town: Guilford

Project Name: Gaylord Sleep Medicine-Guilford

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

Estimated Total

Capital Expenditure: $0

1. **Project Description: Service Termination**

   a. **For each of the Applicant's programs, identify the location, population served, hours of operation, and whether the program is proposed for termination.**

Response: Gaylord Hospital is a long term acute care hospital (LTACH) that provides health care services for patients requiring care for spinal cord injury, traumatic brain injury, stroke, pulmonary disease and other medically complex illnesses and sleep medicine. Gaylord Hospital's services include both inpatient and outpatient care. Gaylord Sleep Medicine-Guilford is located at Soundview Professional Center, 37 Soundview Road, Guilford, Connecticut 06437. Patients are referred to Gaylord Sleep Medicine-Guilford by a referring physician or may schedule an appointment with Gaylord Sleep Medicine-Guilford directly. Gaylord Sleep Medicine-Guilford provides physician consultations and initial evaluations only. The patient population served by Gaylord Sleep Medicine-Guilford resides predominately in the following towns: Guilford, Clinton, Branford, Madison, Old Saybrook, and Westbrook. Patient census information can be found in the Appendix.

Response: The decision to discontinue Gaylord Sleep Medicine-Guilford was made by Gaylord Specialty Healthcare as it plans for the changing health environment. Gaylord's focus will be on those resources that support its core services for complex rehabilitation and medically complex patients.

   b. **Describe the history of the services proposed for termination, including when they were begun and whether CON authorization was received.**

Response: The practice was opened on February 1, 2004. A Certificate of Need authorization was not needed.

   c. **Explain in detail the Applicant's rationale for this termination of services, and the process undertaken by the Applicant in making the decision to terminate.**

Response: The decision to discontinue Gaylord Sleep Medicine-Guilford was made by Gaylord Specialty Healthcare as it plans for the changing health environment. Gaylord's focus will be on those resources that support its core services for complex rehabilitation and medically complex patients.

   d. **Did the proposed termination require the vote of the Board of Directors of the Applicant? If so, provide copy of the minutes (excerpted for other unrelated material) for the meeting(s) the proposed termination was discussed and voted.**

Response: The decision to discontinue Gaylord Sleep Medicine - Guilford did not require a vote of the Board of Directors of Gaylord Hospital.

   e. **Explain why there is a clear public need for the proposal. Provide evidence that demonstrates this need.**

Response: There are three main reasons why there is a public need for the proposal:

- Diminished patient volume and core service. Since the opening of the Center, patient volume has diminished and it was determined that maintaining the sleep program in Guilford was not an efficient use of resources. In 2013, sleep volume had fallen to 708 in FY 2013 from 819 in FY11, representing a 13% decrease. The decision to terminate the sleep practice in Guilford is based on a careful evaluation of how Gaylord can best serve the needs of its patients within its core business: comprehensive health care services for individuals with brain injuries, spinal cord injuries, complex pulmonary conditions, and complex medical illnesses. Our purpose is to provide high quality, cost-efficient care while ensuring the financial health of our organization.
- Changing models of the delivery of sleep medicine services. There is an increasing trend of delivering sleep medicine away from lab testing to home-based testing, thus not necessitating as much need for free-standing sleep labs. This trend is expected to continue and thus will continue to impact volume. (Appendix: Journal of Clinical Sleep Medicine, Vol. 9, No.1, 2013 PRO: Sliding into Home: Portable Sleep testing is Effective for Diagnosis of Obstructive Sleep Apnea)
- Unnecessary duplication of services. With declining volumes and the fact that sleep services are provided by other providers in the area, this proposal supports cost-avoidance.

2. Termination's Impact on Patients and Provider Community

a. List all existing providers (name, address, services provided, hours and days of operation, and current utilization) of the services proposed for termination in the towns served by the Applicant, and in nearby towns.

Response: YNHH currently provides sleep medicine services in the town of Guilford at Yale-New Haven Shoreline Medical Center, 111 Goose Lane, Guilford, CT. Additionally, sleep medicine services is also provided by Middlesex Hospital, at the Sleep Disorder Center at Middlesex Hospital in Middletown, Connecticut and at Lawrence + Memorial Sleep Center in Groton, Connecticut.
Because these are outpatient facilities, patient volume and utilization rates are unavailable.

b. Discuss what steps the Applicant has undertaken to ensure continued access to the services proposed for termination for the Applicant's patients.

Response: Gaylord Sleep Medicine-Guilford will notify patients of the availability of sleep medicine services provided by the sleep program affiliated with YNHH in Guilford for adult patients and CCMC Sleep program for pediatric patients.

c. **For each provider to whom the Applicant proposes to transfer or refer clients, provide the current available capacity, as well as the total capacity and actual utilization for the current year and last completed year.**

Response: Since these are outpatient facilities, patient volume, utilization and available capacity are not available.

d. **Identify any special populations that utilize the services and explain how these clients will continue to access this service after the service location closes.**

Response: Not applicable.

e. **Provide evidence (e.g. written agreements or memorandum of understanding) that other providers in the area are willing and able to absorb the displaced patients.**

Response: Gaylord Sleep Medicine-Guilford has a written agreement with YNHH for the smooth transition of its adult patients and with CCMC for the transition of its pediatric patients.

f. **Describe how clients will be notified about the termination and transferred to other providers.**

Response: Patients will be sent a letter informing them of treatment options available in the area. (Appendix)

3. **Actual and Projected Volume**

a. **Provide volumes for the most recently completed FY by town.**

Attended Patient Visits

TOWN	2013
Branford	35
Centerbrook	1
Chester	6
Clinton	55
Deep River	5
Durham	2
East Haddam	3
East Hampton	1
East Haven	13
Essex	3
Guilford	68

Haddam	1
Hamden	1
Higganaum	2
Higganum	2
Ivoryton	3
Jewett City	1
KILLINGWORTH	14
Ledyard	4
Madison	58
Marlborugh	1
Meriden	1
Middletown	1
Milford	4
Moodus	3
New Britain	1
New Haven	6
New London	4
Niantic	5
North Branford	11
North Haven	2
Northford	1
Oakdale	1
Old Lyme	26
Old Saybrook	21
Orange	2
Punta Gorda	4
Uncasville	2
Wallingford	3
Waterbury	1
Waterford	2
West Haven	2
Westbook	3
Westbrook	22
(blank)	301
Grand Total	**708**

b. Complete the following table for the past three fiscal years ("FY") and current fiscal year ("CFY"), for both number of visits and number of admissions, by service.

Table 1: Historical and Current Visits & Admissions

	Actual Volume (Last 3 Completed FYs)			**CFY Volume***
	FY 2011	FY 2012	FY 2103	FY2014
Sleep Medicine	819	822	708	104
Total	**819**	**822**	**708**	**104**

Gaylord fiscal year (October 1-September 30)

c. **Explain any increases and/or decreases in volume seen in the tables above.**

Response: The volume of sleep medicine patients in Guilford has been declining over the course of the last 3 years. Physician referrals and direct patient referrals have both declined. Sleep services are provided by other practices in the area.

For DMHAS-funded programs only, provide a report that provides the following information for the last three full FYs and the current FY to-date:

i. Average daily census;
ii. Number of clients on the last day of the month;
iii. Number of clients admitted during the month; and
iv. Number of clients discharged during the month.

Response: Not applicable

4. 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.**

Response: The Curriculum Vitae for the following sleep medicine physician practicing at the Guilford location has been included in the Attachment: Janet Hilbert, MD.

b. **Explain how the proposal contributes to the quality of health care delivery in the region.**

Response: The decision to discontinue sleep medicine services in Guilford does not impact the quality of health care services being delivered since sleep medicine services are available in the area.

c. **Identify when the Applicants' funding and/or licensing agencies (e.g. DPH, DMHAS) were notified of the proposed termination, and when the Applicants' licenses will be returned.**

Response: Gaylord Hospital is licensed to operate and maintain a long term acute care hospital through the Department of Public Health (DPH). DPH does not separately specify the types of services that are provided under that license. The termination of this service will not result in any changes to Gaylord Hospital's license from DPH.

5. Organizational and Financial Information

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

Response: Gaylord Specialty HealthCare is a corporation.

b. **Does the Applicant have non-profit status?**
X☐ Yes (Provide documentation) ☐ No

Response: Documentation provided in the Appendix

c. **Financial Statements**

i. **<u>If the Applicant is a Connecticut hospital:</u> 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.**

Response: The Audited Financial Statement is provided in the Appendix

ii. **<u>If the Applicant is not a Connecticut hospital (other health care facilities):</u> 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.)**

Not Applicable

d. **Submit a final version of all capital expenditures/costs.**

Response: There are no capital expenditures/costs to be incurred by Gaylord Hospital as a result of discontinuing this program.

e. **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.**

Response: Not Applicable

f. **Demonstrate how this proposal will affect the financial strength of the state's health care system.**

Response: This proposal will have no effect on the current financial state of the health care system.

6. **Financial Attachments I & II**

   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.**

   Response: Please see **Attachment** for Financial Attachment I.

   b. **Provide a three year projection of incremental revenue, expense, and volume statistics attributable to the proposal by payer. Complete Financial Attachment II. The projections must include the first three full fiscal years of the project.**

   Response: Financial Attachment II has been provided as an **Attachment** however it should be noted that there are no incremental revenue, expense, or volume statistics attributable to the termination of sleep medicine services at Guilford.

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

Response: The assumptions utilized to develop Financial Attachment I and Financial Attachment II are as follows:

There is minimal impact on FTEs as a result of discontinuing sleep medicine services at Guilford. The number of hospital FTEs will decrease approximately .2 FTEs.

All inpatient volumes for Gaylord Hospital will remain constant at FY2013 levels with or without the approval of the CON. Gaylord Sleep Medicine-Guilford is a physician office providing evaluations and follow up consultations and does not provide inpatient services.

Operating expenses for Gaylord Hospital will increase 3 % each year though FY2015 from the levels experienced in FY2013 due to inflation and assumes no changes in operations that would contribute to an increase or decrease in expenses beyond the impact of inflation. The overall Payer Mix for the System will remain constant at the percentage distribution reported in the FY2012 audited financial statement.

   d. **Provide documentation or the basis to support the proposed rates for each of the FYs as reported in Financial Attachment II. Provide a copy of the rate schedule for the proposed service(s).**

Response: Not Applicable

e. **Was the Applicant being reimbursed by payers for these services? Did reimbursement levels enter into the determination to terminate?**

Response: Gaylord Sleep Medicine-Guilford was reimbursed for sleep services, however the decision to terminate services was not dependent on reimbursement levels but on declining volume and leasing considerations.

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

Response: Not applicable

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

Response: There is no anticipated operating revenue increases with or without this proposal.

h. **Describe how this proposal is cost effective.**

Response: This proposal will have no effect on the current financial state of the health care system.

APPENDIX

Contents

A. CV for Janice Hilbert, MD
B. Not-For-Profit Certificate
C. Financial Attachments 1 and 2
D. Patient Census
E. Financial Statement
F. Newspaper Notification
G. Patient Notification
H. Agreement between Gaylord and CCMC
I. Journal of Clinical Sleep

A. CV of Janice Hilbert

Curriculum Vitae

JANET HILBERT HOWARD-FLANDERS, M.D., F.C.C.P.
Gaylord Sleep Services
P.O. Box 400-Gaylord Farm Rd.
Wallingford, CT 06492
203-284-2853

PERSONAL DATA DOB: 9/8/60, New York

EDUCATION AND POSTDOCTORAL TRAINING

1978-1982	B.S., Biology, Cornell University, Ithaca, NY
1982-1986	M.D., SUNY Downstate College of Medicine, Brooklyn, NY
1986-1989	Internship and Residency, Internal Medicine, Columbia University, New York, NY
1989-1992	Postdoctoral Fellowship, Pulmonary and Critical Care Medicine, Yale University School of Medicine, New Haven, CT

CURRENT POSITION

2/2005-present	Sleep Physician, Gaylord Hospital, Wallingford, CT

OTHER PROFESSIONAL EXPERIENCE

8/1992-9/1997	Associate Director, Pulmonary and Critical Care, St. Mary's Hospital, Waterbury, CT
8/1992-9/1997	Medical Director, Intensive Care Unit, St. Mary's Hospital, Waterbury, CT
10/1997-6/2003	Assistant Professor of Medicine, Full-time Faculty, Yale Pulmonary/Critical Care and Yale Center for Sleep Medicine, Yale University School of Medicine, New Haven, CT
6/1999-12/1999	Associate Medical Director, Gaylord-Wallingford Sleep Disorders Laboratory, Gaylord Hospital, Wallingford, CT
1/2000-6/2000	Medical Director, Gaylord- Wallingford Sleep Disorders Laboratory Gaylord Hospital, Wallingford, CT
7/2000-6/2003	Associate Medical Director, Yale Center for Sleep Medicine, New Haven, CT

ACADEMIC APPOINTMENTS

8/1992-6/1995	Clinical Instructor of Medicine, Yale University School of Medicine, New Haven, CT
7/1995-9/1997	Assistant Clinical Professor of Medicine, Yale University School of Medicine, New Haven, CT
10/1997-6/2003	Assistant Professor of Medicine, Yale University School of Medicine, New Haven CT

BOARD CERTIFICATIONS AND LICENSURE

Certifications	American Board of Internal Medicine, Internal Medicine, 1989 (valid indefinitely) American Board of Internal Medicine, Pulmonary Disease, 1992 (valid through 2013) American Board of Internal Medicine, Critical Care Medicine, 1993 (valid through 2013) American Board of Sleep Medicine, 1999 (valid indefinitely)

Licensure New York #176360 (inactive), 1988
Connecticut #030380, 1989

HONORS AND AWARDS

1982	B.S. With Honors (for Academic Achievement) and With Distinction (for Research)
1985	Alpha Omega Alpha
1986	M.D. Cum Laude
1986	Merck Award for Outstanding Academic Performance
1992	NIH Training Grant, Clinical Investigation
1994	Fellowship, American College of Chest Physicians
1999	Fellowship, American Academy of Sleep Medicine

TEACHING ACTIVITIES

Major Courses

1992-1997	Course Developer/Coordinator/Instructor, Yale Primary Care Internal Medicine Intensive Care Rotation, St. Mary's Hospital, Waterbury, CT
1999-2003	Course Developer/Coordinator/Instructor, Yale Pulmonary/Critical Care Fellow Sleep Medicine Elective, Yale University, New Haven CT
2001-2003	Course Developer/Coordinator/Instructor, Yale Outpatient Pulmonary/Sleep Medicine Resident Elective, Yale University, New Haven, CT
2002-2003	Student Tutor, Doctor-Patient Encounter Course, Yale University, New Haven, CT

Selected Invited Lectures 2000-2003 (exclusive of fellow/resident/student lectures and rounds)

2/9/2000	Medical Management of Sleep-Related Breathing Disorders – Yale State Chest Conference, Yale University, New Haven CT
6/8/2000	Obstructive Sleep Apnea – Gaylord Hospital, Wallingford, CT
6/10/2000	Medical Management of Obstructive Sleep Apnea - Yale University School of Medicine Primary Care Update 2000: Snoring and Sleep Apnea, Norwich CT
9/6/2000	Hypersomnia - Yale State Chest Conference, Yale University, New Haven CT
9/9/2000	Hypersomnia: Causes, Consequences, and Treatment, - Yale University Symposium on Sleep Medicine: Update for Primary Care Physicians, Pediatricians, and Family Physicians, Norwich CT
3/9/2001	Sleep in the Elderly - Yale Elder Life Program, Yale University, New Haven CT
3/31/2001	Movement Disorders in Sleep – Northeastern Sleep Society Meeting: Health Consequences of Sleep Disorders, New Haven, CT
5/21/2001	Seminar on Hypersomnia - American Thoracic Society Meeting, San Francisco, CA
9/5/2001	Hypersomnia - Yale State Chest Conference, Yale University, New Haven CT
9/21/2001	Obstructive Sleep Apnea – Medical Grand Rounds, Greenwich Hospital, Greenwich, CT
11/16/2001	Obstructive Sleep Apnea – Medical Grand Rounds, St. Mary's Hospital, Waterbury, CT
11/16/2001	Professor's Rounds: Pleural Effusion - St. Mary's Hospital, Waterbury, CT
4/15/2002	Normal Human Sleep and Sleep Disorders – Yale Nursing-Oncology Program, Yale University, New Haven CT
9/11/2002	Beyond Sleep Apnea: Sleep Medicine for the Pulmonologist - Yale State Chest Conference Yale University, New Haven CT

4/15/2003 Normal Human Sleep and Sleep Disorders – Yale Nursing-Oncology Program Yale University, New Haven CT

EDITORIAL ACTIVITIES

1999-2000	Guest Reviewer, Journal of Nuclear Cardiology
2001-2003	Guest Reviewer, Chest

PROFESSIONAL ORGANIZATIONS

American College of Chest Physicians
American Academy of Sleep Medicine
American Thoracic Society
Connecticut Thoracic Society

PROFESSIONAL SERVICE

1995-1996	Member-At-Large, Connecticut Thoracic Society Executive Committee
1996-1997	Chair, Connecticut Thoracic Society 1997 Critical Care Conference Program Planning Committee
1999-2002	Chair, Connecticut Thoracic Society Membership Committee
2000-2001	Member, Northeastern Sleep Society 2001 Annual Meeting Program Planning Committee
2000-2003	Member, Sleep Medicine Fellowship Training Committee, American Academy of Sleep Medicine
2002-2003	ACCP Governor for Connecticut, American College of Chest Physicians
2002-2003	Ad Hoc Advisor re: sleep medicine training in pulmonary fellowship, Association of Pulmonary and Critical Care Medicine Program Directors Executive Committee

OTHER PROFESSIONAL ACTIVITIES

National

1994	AAMC Women Liaison Officer, Association of American Medical Colleges

Regional

1992-1995	Advisory Committee Member, Respiratory Care Program, Naugatuck Valley Community Technical College, Waterbury, CT
1995-1997	Medical Director, Respiratory Care Program, Naugatuck Valley Community Technical College, Waterbury, CT
1995-1996	Member, 1996 Asthma Community Education Program Planning Committee, St. Mary's Hospital, Waterbury CT
2000	Project Consultant, Sleep Disorders: A Primary Care Approach on the Web, New England Research Institute

Hospital

1992-1997	Chair, Intensive Care Unit Committee, St. Mary's Hospital, Waterbury CT
1994-1997	Member, Quality Coordinating Council, St. Mary's Hospital, Waterbury CT
1994-1997	Member, Medical Peer Review Committee, St. Mary's Hospital, Waterbury, CT
1994-1997	Member, Medical Library Committee, St. Mary's Hospital, Waterbury, CT
1994-1997	Chair, Respiratory Inpatient Clinical Pathways Committee, St. Mary's Hospital, Waterbury, CT
1994-1997	Medical Advisor, Respiratory Care Patient-Centered Protocols Committee, St. Mary's Hospital, Waterbury CT

University

1999-2000	Member, Yale University Symposium 2000: Sleep Medicine Update Program Planning Committee, Yale University, New Haven, CT

2002-2003	Member, Technology Subcommittee of the Educational Policy Committee, Yale University, New Haven, CT
2002-2003	Member, Pediatric Respiratory Medicine Junior Faculty Search Committee, Yale University, New Haven, CT

OTHER PROFESSIONAL ACTIVITIES (continued)

Departmental

1992-1997	Member, Yale Primary Care Internal Medicine Intern Selection Committee, Yale University, New Haven, CT
1992-1996	Member, Yale/Waterbury Pulmonary/Critical Care Fellow Selection Committee, Yale University, New Haven, CT
1993-1997	Chair, Medical Resident Chart Review Committee, St. Mary's Hospital, Waterbury CT
1995-1997	Member, Sleep Disorders Medical Advisory Committee, St. Mary's Hospital, Waterbury CT
1997-1998	Chair, Winchester Fellows Clinic Committee, Yale University, New Haven, CT
1997-2002	Member, Yale Traditional Internal Medicine Intern Selection Committee, Yale University, New Haven, CT
1997-2003	Member, Pulmonary/Critical Care Fellow Selection Committee, Yale University, New Haven, CT

PUBLICATIONS

Fortune JE, Hilbert JL, Estradial secretion by granulosa cells from rats with four or five day estrous cycles: the development of responses to follicle-stimulating hormone versus luteinizing hormone. Endocrinology 118:2395-2401; 1986

Quirk SM, Hilbert JL, Fortune JE. Progesterone secretion by granulosa cells from rats with four or five day estrous cycles: the development of responses to follicle-stimulating hormone, luteinizing hormone, and testosterone. Endocrinology 118: 2402-2405; 1986

Mohsenin V, Guffanti EE, Hilbert JL, Ferranti R. Daytime oxygen saturation does not predict nocturnal oxygen desaturation in patients with chronic obstructive pulmonary disease. Arch Phys Med Rehabil 75:285-289; 1994

Lee-Chiong TL, Hilbert, JL. Extensive idiopathic benign bilateral asynchronous pleural fibrosis. Chest 109:564-565; 1996

Hilbert J, Mohsenin V. Adaptation of lung antioxidants to cigarette smoking in humans. Chest 110:916-920; 1996

Murin S, Hilbert J, Reilly SJ. Cigarette smoking and the lung. Clin Rev Allergy and Immunol 15(3):307-61;1997

Hilbert J, Mohsenin V. Can periodic limb movement disorder be diagnosed without polysomnography? A case-control study. Sleep Med 4(1):35-41;2003

Hilbert J. Cardiovascular abnormalities in sleep disordered breathing. PCCU Volume 17, Lesson 11, 2003
http://www.chestnet.org/education/online/pccu/vol17/lessons11_12/11/index.php

Roux F, Hilbert J. CPAP: new generations. Clin Chest Med 24(2):315-342; 2003

Hilbert J. Yale Outpatient Pulmonary and Sleep Medicine Elective for Residents, on-line syllabus 7/2001-6/2003

B. Not-for-Profit Certificate

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Person to Contact: Mr. Gillette

Telephone Number: (202) 566-3586

Refer Reply to: E:EO:R:2-5

Date: JUN 10 1991

Gaylord Farm Association, Inc.
Gaylord Farm Road, Box 400
Wallingford, CT 06492

Legend: H = Gaylord Hospital, Inc.
P = Gaylord Farm Association, Inc.
S = Farm Properties Incorporated

Dear Applicant:

This is in reply to your request of August 22, 1990, and subsequent correspondence for rulings concerning a proposed reorganization.

H is a nonstock not-for-profit hospital. H has been recognized as exempt from federal income taxes under section 501(c)(3) of the Code and classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(iii).

P is a nonstock not-for-profit corporation. P's Certificate of Incorporation provides that its principal purpose is to benefit, perform the functions of, carry out the purposes of and uphold, promote and further the welfare, programs and activities of H. It has been recognized as exempt from federal income taxes under section 501(c)(3) of the Code and a supporting organization within the meaning of section 509(a)(3).

S is a stock corporation with P as its sole shareholder. S is a for-profit corporation and will be subject to federal income taxes. It is not anticipated that P or H will provide services to S, although some personnel and facilities may be shared in the beginning in an effort to reduce costs. If services are provided, an arms-length fee will be charged. The primary purpose of S is to perform real estate development and management functions for P and H.

In addition to its operation of a hospital, H has significant operational and administrative responsibilities in areas not directly related to the providing of medical care to hospital patients. The complexities of operating H's general acute care hospital and H's associated activities have become increasingly burdensome in recent years. At the same time, the demands on the time of persons on the Board of Trustees and Executive Committee of H have also increased. Furthermore, H's commitment to make its services available to all who may need them requires that some of these services be performed at

C. Financial Attachment I & II
(Attached Excel Spreadsheet)

FINANCIAL ATTACHMENT DESCRIPTIONS

Financial Attachment A – Long Form Total Facility Not-for-Profit

Financial Attachment B – Long Form Total Facility For-Profit

Financial Attachment C – Long Form Total Hospital Health System Not-for-Profit

Financial Attachment D – Long Form Total Hospital Health System For-Profit

12. C (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:	**FY 2013**	**FY 2014**	**FY 2014**	**FY 2014**	**FY 2015**	**FY 2015**	**FY 2015**	**FY 2016**	**FY 2016**	**FY 2016**
Description	**Actual Results**	**Projected W/out CON**	**Projected Incremental**	**Projected With CON**	**Projected W/out CON**	**Projected Incremental**	**Projected With CON**	**Projected W/out CON**	**Projected Incremental**	**Projected With CON**
NET PATIENT REVENUE										
Non-Government	$35,027	$35,027	($35,027)	$0	$35,027	($35,027)	$0	$35,027	($35,027)	$0
Medicare	$19,793	$19,793	($19,793)	$0	$19,793	($19,793)	$0	$19,793	($19,793)	$0
Medicaid and Other Medical Assist	$5,594	$5,594	($5,594)	$0	$5,594	($5,594)	$0	$5,594	($5,594)	$0
Other Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Net Patient Patient Revenue	$60,414	$60,414	($60,414)	$0	$60,414	($60,414)	$0	$60,414	($60,414)	$0
Other Operating Revenue	$0	$0			$0			$0		
Revenue from Operations	$60,414	$60,414	($60,414)	$0	$60,414	($60,414)	$0	$60,414	($60,414)	$0
OPERATING EXPENSES										
Salaries and Fringe Benefits	$61,247	$62,471	($62,471)	$0	$63,720	($63,720)	$0	$64,995	($64,995)	$0
Professional / Contracted Services	$4,740	$4,740	($4,740)	$0	$4,740	($4,740)	$0	$4,740	($4,740)	$0
Supplies and Drugs	$792	$792	($792)	$0	$792	($792)	$0	$792	($792)	$0
Bad Debts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Operating Expense	$7,308	$7,308	($7,308)	$0	$7,308	($7,308)	$0	$7,308	($7,308)	$0
Subtotal	$74,087	$75,311	($75,311)	$0	$76,560	($76,560)	$0	$77,835	($77,835)	$0
Depreciation/Amortization	$2,048	$2,048	($2,048)	$0	$2,048	($2,048)	$0	$2,048	($2,048)	$0
Interest Expense	$469	$469	($469)	$0	$469	($469)	$0	$469	($469)	$0
Lease Expense	$25,956	$26,735	($26,735)	$0	$27,537	($27,537)	$0	$28,363	($28,363)	$0
Total Operating Expense	$102,560	$104,563	($104,563)	$0	$106,614	($106,614)	$0	$108,715	($108,715)	$0
Gain/(Loss) from Operations	($42,146)	($44,149)	$44,149	$0	($46,200)	$46,200	$0	($48,301)	$48,301	$0
Plus: Non-Operating Revenue				$0			$0			$0
Revenue Over/(Under) Expense	($42,146)	($44,149)	$44,149	$0	($46,200)	$46,200	$0	($48,301)	$48,301	$0
FTEs	0.20	0.20	(0.20)	-	0.20	(0.20)	-	0.20	(0.20)	-
Volume Procedures	516	516	(516)	0	516	(516)	-	516	(516)	-

*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.

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 Actual Results**	**FY Projected W/out CON**	**FY Projected Incremental**	**FY Projected With CON**	**FY Projected W/out CON**	**FY Projected Incremental**	**FY Projected With CON**	**FY Projected W/out CON**	**FY Projected Incremental**	**FY Projected With CON**
NET PATIENT REVENUE										
Non-Government				$0			$0			$0
Medicare				$0			$0			$0
Medicaid and Other Medical Assistance				$0			$0			$0
Other Government				$0			$0			$0
Total Net Patient Patient Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Operating Revenue										
Revenue from Operations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OPERATING EXPENSES										
Salaries and Fringe Benefits				$0			$0			$0
Professional / Contracted Services				$0			$0			$0
Supplies and Drugs				$0			$0			$0
Bad Debts				$0			$0			$0
Other Operating Expense				$0			$0			$0
Subtotal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Depreciation/Amortization				$0			$0			$0
Interest Expense				$0			$0			$0
Lease Expense				$0			$0			$0
Total Operating Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Income (Loss) from Operations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Non-Operating Income				$0			$0			$0
Income before provision for income taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Provision for income taxes										
Net Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Retained earnings, beginning of year		$0	$0	$0	$0	$0	$0	$0	$0	$0
Retained earnings, end of year	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FTEs				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.

12. C (i). Please provide one year of actual results and three years of ***Total Hospital Health System*** projections of revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

Total Hospital Health System:	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Description	Results	W/out CON	Incremental	With CON	W/out CON	Incremental	With CON	W/out CON	Incremental	With CON
NET PATIENT REVENUE										
Non-Government				$0			$0			$0
Medicare				$0			$0			$0
Medicaid and Other Medical Assistance				$0			$0			$0
Other Government				$0			$0			$0
Total Net Patient Patient Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Operating Revenue										
Revenue from Operations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OPERATING EXPENSES										
Salaries and Fringe Benefits				$0			$0			$0
Professional / Contracted Services				$0			$0			$0
Supplies and Drugs				$0			$0			$0
Bad Debts				$0			$0			$0
Other Operating Expense				$0			$0			$0
Subtotal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Depreciation/Amortization				$0			$0			$0
Interest Expense				$0			$0			$0
Lease Expense				$0			$0			$0
Total Operating Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gain/(Loss) from Operations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Plus: Non-Operating Revenue				$0			$0			$0
Revenue Over/(Under) Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FTEs				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.

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

Total Hospital Health System:	FY	FY	FY	FY	FY	FY	FY	FY	FY
	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Description	Results	W/out CON	Incremental	With CON	W/out CON	Incremental	With CON	W/out CON	Incremental	With CON
NET PATIENT REVENUE										
Non-Government				$0			$0			$0
Medicare				$0			$0			$0
Medicaid and Other Medical Assistance				$0			$0			$0
Other Government				$0			$0			$0
Total Net Patient Patient Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Operating Revenue										
Revenue from Operations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OPERATING EXPENSES										
Salaries and Fringe Benefits				$0			$0			$0
Professional / Contracted Services				$0			$0			$0
Supplies and Drugs				$0			$0			$0
Bad Debts				$0			$0			$0
Other Operating Expense				$0			$0			$0
Subtotal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Depreciation/Amortization				$0			$0			$0
Interest Expense				$0			$0			$0
Lease Expense				$0			$0			$0
Total Operating Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Income (Loss) from Operations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Non-Operating Income				$0			$0			$0
Income before provision for income taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Provision for income taxes										
Net Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Retained earnings, beginning of year		$0	$0	$0	$0	$0	$0	$0	$0	$0
Retained earnings, end of year	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FTEs				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.

12.C(ii). Please provide **three** years of projections of <u>incremental</u> 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 _____

FY _____ **FY Projected Incremental** Total Incremental Expenses: _____	(1)	(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 * Col. 4 / Col. 4 Total	(10) Gain/(Loss) from Operations Col. 8 - Col. 9
Total Facility by Payer Category:										
Medicare				$0				$0	$0	$0
Medicaid		$0		$0				$0	$0	$0
CHAMPUS/TriCare		$0		$0				$0	$0	$0
Total Governmental			0	$0	$0	$0	$0	$0	$0	$0
Commericial Insurers		$0	5	$0				$0	$0	$0
Uninsured		$0	2	$0				$0	$0	$0
Total NonGovernment		$0	7	$0	$0	$0	$0	$0	$0	$0
Total All Payers		$0	7	$0	$0	$0	$0	$0	$0	$0

D. Patient Census

Town	2011	2012	2013	Grand Total
Amston	1	3		4
Ansonia		1		1
Branford	103	79	35	217
Centerbrook	2		1	3
Cheshire	2	5		7
Chester	2	12	6	20
Clinton	59	85	55	199
Danbury	3			3
Deep River	17	12	5	34
Durham	9	6	2	17
East Haddam	5	2	3	10
East Hampton	2	2	1	5
East Haven	22	12	13	47
Essex	13	12	3	28
Falling Waters	1	2		3
Gales Ferry	3	3		6
Glastonbury	1	1		2
Groton	3			3
Guilford	143	119	68	330
Haddam	2	1	1	4
Hamden	1	10	1	12
Higganaum			2	2
Higganum	6	6	2	14
Ivoryton	14	8	3	25
Jewett City	1		1	2
KILLINGWORTH	40	20	14	74
Ledyard	5	4	4	13
Longmeadow	1			1
Lyme	2			2
Madison	117	128	58	303
Marlborugh	2	1	1	4
Meriden	1		1	2
Middletown	5		1	6
Milford	6	6	4	16
Monroe		4		4
Moodus		3	3	6
Mystic	2	1		3
Naugatuck	2			2
New Britain	1		1	2
New Haven	14	10	6	30
New London	5	8	4	17
Niantic	17	8	5	30
North Branford	15	15	11	41
North Haven	3	1	2	6
North Stonington		2		2

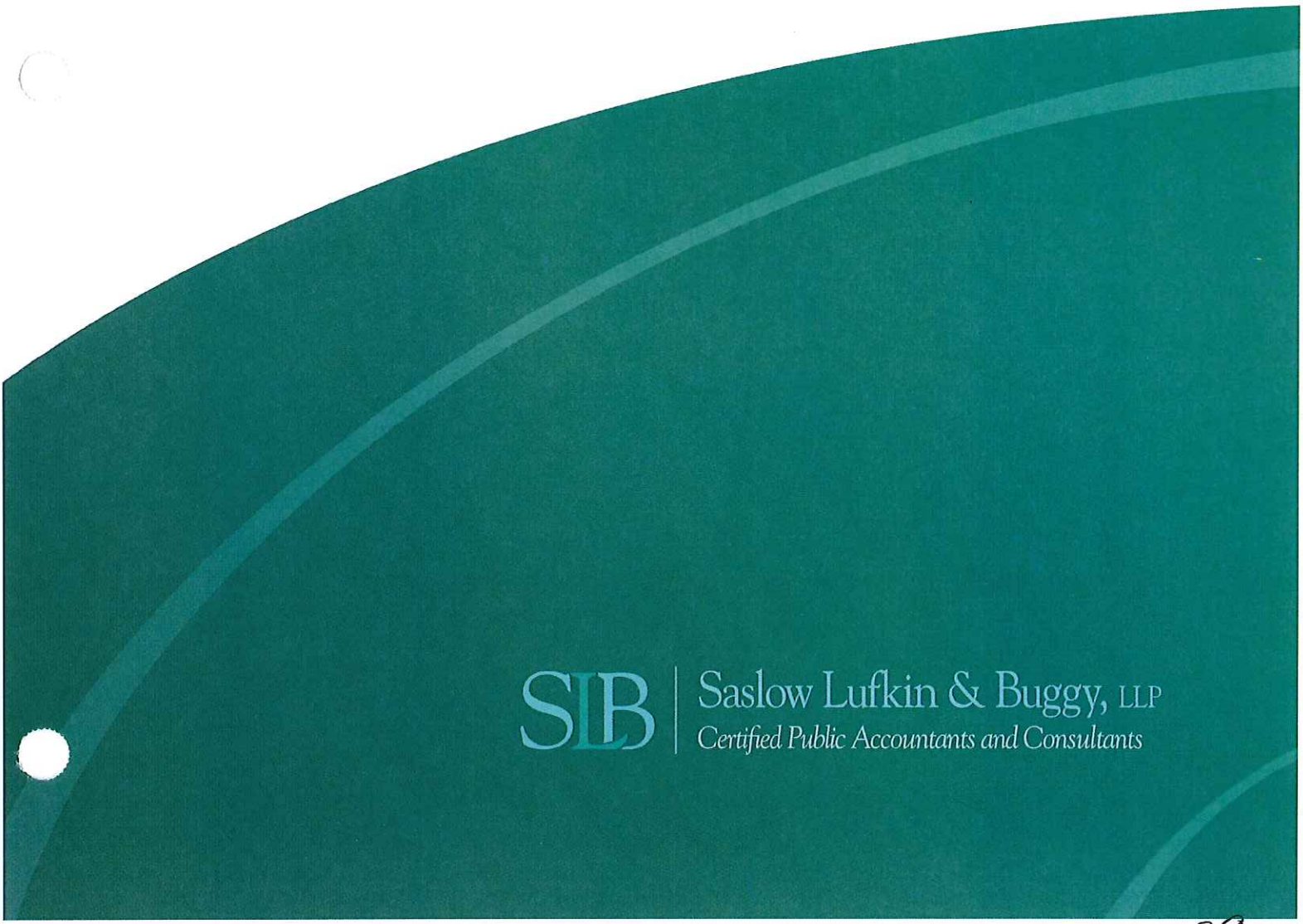
Northford	3	1	1	5
Norwalk	2			2
Norwich	13	3		16
Oakdale		2	1	3
Old Lyme	35	20	26	81
Old Saybrook	48	56	21	125
Orange		1	2	3
Portland	2			2
Preston		1		1
Prospect		1		1
Punta Gorda	1		4	5
Reading	4			4
Seymour	2			2
Sharon		3		3
Southington	1			1
Stratford		1		1
Suffield		2		2
The Villages	1			1
Tolland	1			1
Uncasville			2	2
Wakefield		1		1
Wallingford	6	11	3	20
Waterbury	1	1	1	3
Waterford	5		2	7
West Haven	2	1	2	5
Westbook	6	10	3	19
Westbrook	31	64	22	117
Westerly	1			1
Willamantic	1			1
Woodbridge		1		1
(blank)		50	301	351
Grand Total	**819**	**822**	**708**	**2349**

E. Financial Statement

Gaylord Farm Association, Inc.

Independent Auditors' Report,
Consolidated Financial Statements and
Supplemental Information

As of and for the Years Ended
September 30, 2012 and 2011



Gaylord Farm Association, Inc.
Independent Auditors' Report, Consolidated Financial Statements and Supplemental Information
As of and for the Years Ended September 30, 2012 and 2011

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SLB | Saslow Lufkin & Buggy, LLP
Certified Public Accountants and Consultants

Independent Auditors' Report

To the Board of Directors of
Gaylord Farm Association, Inc.:

We have audited the accompanying consolidated balance sheets of Gaylord Farm Association, Inc. (the Association) as of September 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and shareholder's equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Gaylord Risk Solutions, Ltd., a wholly-owned subsidiary, whose statements reflect total assets of $5,243,107 and $5,354,067, total liabilities of $3,783,397 and $3,550,951 as of September 30, 2012 and 2011, and total revenues of ($415,079) and ($135,312) and net loss of ($702,372) and ($121,844) for the years then ended, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Gaylord Risk Solutions, Ltd., is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gaylord Farm Association, Inc. as of September 30, 2012 and 2011, and the results of its consolidated operations and its consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information listed within the Table of Contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Saslow Lufkin & Buggy, LLP

January 8, 2013
Avon, Connecticut

10 Tower Lane
Avon, Connecticut 06001
Phone 860.678.9200

4600 E. Washington Street, Suite 300
Phoenix, Arizona 85034
Phone 602.252.7373

30 Main Street, Suite 215
Burlington, Vermont 05401
Phone 802.865.9300

Gaylord Farm Association, Inc.
Consolidated Balance Sheets
September 30, 2012 and 2011

	2012	2011
Assets		
Current assets:		
Cash and cash equivalents	$ 635,238	$ 884,695
Patient accounts receivable (less allowance for doubtful accounts of $458,000 in 2012 and $503,000 in 2011)	10,522,310	10,001,815
Assets whose use is limited:		
Assets held under bond indenture agreement	189,467	179,780
Pledges receivable, net	90,046	386,657
Other current assets	2,003,316	1,944,851
Total current assets	13,440,377	13,397,798
Assets whose use is limited:		
Pledges receivable	231,120	310,105
Board-designated investments	14,349,648	13,693,257
Donor restricted investments	5,555,747	5,529,789
Beneficial interest in trusts held by others	11,240,066	9,748,956
	31,376,581	29,282,107
Property, plant and equipment, net	38,177,394	41,937,586
Investments held for captive insurance liabilities	3,846,709	3,517,224
Reinsurance recoverable relating to captive insurance liabilities	663,930	678,921
Other assets (Notes 4 and 7)	946,160	1,086,089
Total assets	$ 88,451,151	$ 89,899,725
Liabilities, Net Assets and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,811,631	$ 4,853,991
Accrued payroll and related taxes	4,730,818	3,819,490
Line of credit	-	450,000
Estimated amounts due to third-party payers	246,805	246,805
Current portion of accrued pension obligation	1,493,193	2,743,352
Current portion of long-term debt and capital lease obligations	1,526,815	1,487,242
Total current liabilities	10,809,262	13,600,880
Long-term debt and capital lease obligations, less current portion	18,153,360	19,570,309
Accrued pension obligation	16,609,410	14,699,268
Captive insurance losses and other reserves	2,819,498	2,827,083
Interest rate swap liability	4,712,094	4,155,222
Total liabilities	53,103,624	54,852,762
Net assets and shareholder's equity:		
Unrestricted net assets	15,942,540	16,757,868
Temporarily restricted net assets	1,149,464	1,207,234
Permanently restricted net assets	16,795,813	15,278,745
Shareholder's equity	1,459,710	1,803,116
Total net assets and shareholder's equity	35,347,527	35,046,963
Total liabilities, net assets and shareholder's equity	$ 88,451,151	$ 89,899,725

The accompanying notes are an integral part of these consolidated financial statements.

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Gaylord Farm Association, Inc.
Consolidated Statements of Operations and
Changes in Net Assets and Shareholder's Equity
For the Years Ended September 30, 2012 and 2011

	2012	2011
Revenues:		
Net patient service revenue	**$ 70,326,743**	$ 67,064,747
Contributions and bequests	**1,076,207**	913,165
Ceded premium	**(325,000)**	(332,500)
Other operating revenue	**725,080**	637,668
Net assets released from restrictions used for operations	**279,175**	145,235
Total revenues	**72,082,205**	68,428,315
Expenses:		
Salaries and related expenses	**49,528,721**	46,823,400
Other operating expenses	**5,606,698**	5,531,291
Professional fees and contract services	**8,060,187**	6,818,453
Supplies	**5,034,738**	5,064,540
Depreciation and amortization	**3,900,452**	3,890,429
Occupancy costs	**2,145,309**	2,099,698
Provision for bad debts	**420,830**	344,715
Interest	**882,966**	919,764
Losses and loss adjustment expenses (recoveries)	**164,137**	(141,200)
Total expenses	**75,744,038**	71,351,090
Loss from operations	**(3,661,833)**	(2,922,775)
Other gains, net:		
Dividend and interest income	**522,282**	586,562
Net realized gains on investments	**515,365**	140,830
Loss on equity investments	**(75,252)**	(5,304)
Change in fair value of interest rate swap agreement	**(556,872)**	(508,193)
Total other gains, net	**405,523**	213,895
Excess of revenues under expenses	**$ (3,256,310)**	$ (2,708,880)

The accompanying notes are an integral part of these consolidated financial statements.

Gaylord Farm Association, Inc.
Consolidated Statements of Operations and
Changes in Net Assets and Shareholder's Equity (continued)
For the Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted net assets:		
Excess of revenues under expenses	**$ (3,256,310)**	$ (2,708,880)
Net unrealized gains (losses) on investments	**2,557,046**	(1,132,499)
Pension related changes other than net periodic pension cost	**(1,708,412)**	(3,183,532)
Net loss of GRS	**702,372**	121,844
Net assets released from restrictions used for purchases of property, plant and equipment	**889,976**	616,837
Change in unrestricted net assets	**(815,328)**	(6,286,230)
Temporarily restricted net assets:		
Restricted pledges and contributions	**719,251**	187,488
Investment income and realized gains on investments	**74,943**	-
Net unrealized gains on investments	**317,187**	-
Net assets released from restrictions	**(1,169,151)**	(762,072)
Change in temporarily restricted net assets	**(57,770)**	(574,584)
Permanently restricted net assets:		
Restricted contributions and bequests	**25,958**	29,320
Change in beneficial interest in trusts held by others	**1,491,110**	(419,464)
Change in permanently restricted net assets	**1,517,068**	(390,144)
Shareholder's equity:		
Net loss of GRS	**(702,372)**	(121,844)
Net unrealized gains (losses) on investments of GRS	**358,966**	(260,304)
Change in shareholder's equity	**(343,406)**	(382,148)
Change in net assets and shareholder's equity	**300,564**	(7,633,106)
Net assets and shareholder's equity, beginning of year	**35,046,963**	42,680,069
Net assets and shareholder's equity, end of year	**$ 35,347,527**	$ 35,046,963

The accompanying notes are an integral part of these consolidated financial statements.

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Gaylord Farm Association, Inc.
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2012 and 2011

	2012	2011
Operating activities:		
Change in net assets and shareholder's equity	$ 300,564	$ (7,633,106)
Adjustments to reconcile change in net assets and shareholder's equity to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,900,452	3,890,429
Pension related changes other than net periodic pension cost	1,708,412	3,183,532
Change in fair value of interest rate swap	556,872	508,193
Net realized and unrealized (gains) losses on investments	(3,464,541)	991,669
Loss from equity investments	75,252	5,304
Change in beneficial interest in trusts held by others	(1,491,110)	419,464
Restricted contributions and bequests received	(745,209)	(216,808)
Changes in operating assets and liabilities:		
Patient accounts receivable	(520,495)	(885,966)
Other current assets	(58,465)	(219,834)
Pledges receivable	375,596	487,544
Investments held for captive insurance liabilities	(329,485)	392,772
Reinsurance recoverable relating to captive insurance	14,991	78,729
Other assets	109,677	121,120
Accounts payable and accrued expenses	(2,042,360)	(246,346)
Accrued payroll and related taxes	911,328	444,036
Accrued pension obligation	(1,048,429)	(830,029)
Captive insurance losses and other reserves	(7,585)	(222,216)
Net cash (used in) provided by operating activities	(1,754,535)	268,487
Investing activities:		
Assets held under bond indenture agreement	(9,687)	(7,997)
Investments in joint ventures	(45,000)	(30,601)
Purchases of property, plant and equipment	(140,260)	(1,625,423)
Sales and purchases of investments, net	2,782,192	1,744,509
Net cash provided by investing activities	2,587,245	80,488
Financing activities:		
Principal payments on long-term debt	(1,220,000)	(640,000)
Net payments on lines of credit	(450,000)	(575,000)
Principal payments on capital lease obligations	(157,376)	(842,100)
Restricted contributions and bequests received	745,209	216,808
Net cash used in financing activities	(1,082,167)	(1,840,292)
Change in cash and cash equivalents	(249,457)	(1,491,317)
Cash and cash equivalents, beginning of year	884,695	2,376,012
Cash and cash equivalents, end of year	$ 635,238	$ 884,695

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 - General

Organization - Gaylord Farm Association, Inc. (the Association) is a not-for-profit corporation, which is a supporting corporation for Gaylord Hospital, Inc. (Gaylord), Gaylord Research Institute, Inc. (GRI), The Gaylord Foundation, Inc. (TGF), Farm Properties, Inc. (FP), Gaylord Farm Rehabilitation Center (GFRC) and Gaylord Risk Solutions, Ltd. (GRS).

Gaylord operates a chronic disease hospital that specializes in the care and treatment of people with medically complex conditions and rehabilitation including brain and spinal cord injury, pulmonary illness, stroke, neurological and orthopedic conditions. In addition, Gaylord runs outpatient clinics to provide physical therapy, occupational therapy, speech therapy and physiatry services as well as sleep disorder centers.

GRI, TGF and FP are dormant corporations with no activity and GFRC is the supporting corporation for the Traurig House, which is a component of the Association's traumatic brain injury care and treatment department.

GRS was incorporated on December 12, 2007 and operates subject to the provisions of the Companies Law of the Cayman Islands. GRS was granted an Unrestricted Class "B" Insurer's license on December 28, 2007, which it holds subject to the provisions of the Insurance Law of the Cayman Islands. GRS is a wholly owned subsidiary of the Association.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The consolidated financial statements include the accounts of the Association and its wholly-owned subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation.

Use of Estimates - The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related footnotes. Actual results could differ from those estimates. Significant accounts that are impacted by such estimates and assumptions are the allowance for doubtful accounts, allowances for third-party payer discounts and settlements, accrued pension liabilities, malpractice loss reserves and the reserves for workers' compensation insurance.

Cash and Cash Equivalents - Cash and cash equivalents include highly liquid investments with maturities of three months or less when purchased. In general, the Federal Deposit Insurance Corporation (FDIC) insures cash balances up to $250,000 per depositor, per bank. The FDIC also provides separate unlimited coverage for deposit accounts that meet the definition of non-interest bearing accounts. Unlimited coverage on non-interest bearing accounts extends until December 31, 2012. It is the Association's policy to monitor the financial strength of the banks that hold its deposits on an ongoing basis. During the normal course of business, the Association maintains cash balances in excess of the FDIC insurance limit.

Property, Plant and Equipment - Property, plant and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Maintenance and repairs are charged to expense as incurred.

Note 2 - Summary of Significant Accounting Policies (continued)

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support, and are excluded from the excess of revenues over (under) expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over (under) expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over (under) expenses unless the investments are trading securities. Unrealized losses that have been deemed to be other than temporarily impaired are included within excess of revenues over (under) expenses.

Other Than Temporary Impairments on Investments - The Association accounts for other than temporary impairments in accordance with FASB ASC 320-10 *"Investments - Debt and Equity Securities"* and continually reviews its securities for impairment conditions, which could indicate that an other than temporary decline in market value has occurred. In conducting this review, numerous factors are considered, which include specific information pertaining to an individual company or a particular industry, general market conditions that reflect prospects for the economy as a whole, and the ability and intent to hold securities until recovery. The carrying value of investments is reduced to its estimated realizable value if a decline in fair value is considered to be other than temporary. There were no impairments recorded in 2012 or 2011.

Equity Investments - The Association has a fifty percent ownership interest in North Haven Fitness & Wellness, LLC (Fitness & Wellness). In addition, the Association has a fifty percent ownership in Gaylord Sleep HealthCenters of Connecticut, LLC (GSHC). The Association accounts for its investment interest in these entities using the equity method of accounting. As such, the Association adjusts its investments by its share of the investees net income (loss).

Deferred Financing Costs - Deferred financing costs have been recorded as an asset and are being amortized using the effective interest method over the term of the related financing agreement.

Temporarily and Permanently Restricted Net Assets - Temporarily restricted net assets are those whose use by the Association has been limited by donors to a specific time frame or purpose and are included in investments. Temporarily restricted net assets are available primarily for health care services, including cancer and pediatric programs and capital replacement.

Permanently restricted net assets consist of funds held in trust by others and the Association's permanently restricted endowments, which are included in donor restricted investments. Permanently restricted endowments are investments to be held in perpetuity, the income from which is expendable to support health care services. The income from funds held in trust by others is expendable to support health care services.

Donor Restricted Gifts - Unconditional promises to give cash and other assets to the Association are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

Note 2 - Summary of Significant Accounting Policies (continued)

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Excess of Revenues Over (Under) Expenses - The consolidated statements of operations and changes in net assets includes excess of revenues over (under) expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over (under) expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, assets released from restrictions for purchase of property, plant and equipment and certain changes in the pension liability.

Income Taxes - The Association 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 and state income taxes on related income pursuant to Section 501(a) of the Code. GRS is a not-for-profit captive insurance company organized under the laws of the Cayman Islands.

The Association accounts for uncertain tax positions with provisions of FASB ASC 740, *"Income Taxes"* which provide a framework for how companies should recognize, measure, present and disclose uncertain tax positions in their consolidated financial statements. The Association may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Association does not have any uncertain tax positions as of September 30, 2012 and 2011. As of September 30, 2012 and 2011, the Association did not record any penalties or interest associated with uncertain tax positions. The Association's prior three tax years are open and subject to examination by the Internal Revenue Service.

Assets Whose Use is Limited - Assets which have limited use include assets deposited with a trustee for debt service, pledges, assets set aside by the Board of Directors for future capital improvements and the Association's beneficial interest in funds held in trust held by others.

Interest Rate Swap Agreement - The Association uses an interest rate swap agreement to modify its variable interest rate debt to a fixed interest rate, thereby reducing the Association's exposure to interest rate market fluctuations. The interest rate swap agreement involves the exchange of amounts based on a fixed interest rate for amounts based on variable rates over the life of the agreement without the exchange of the notional amount upon which payments are based. The differential of amounts paid and received during the year is charged to interest expense and the amounts payable or receivable from the counter-party is included as an adjustment to accrued interest.

Net Patient Service Revenue - Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period in which the related services are rendered and adjusted in the future periods as final settlements are determined.

Charity Care - The Association provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Association does not pursue collection of amounts determined to qualify as charity care, the charges related to charity care services are offset within net patient service revenue.

Note 2 - Summary of Significant Accounting Policies (continued)

The amount of traditional charity care provided, determined on the basis of cost, was approximately $19,019 and $19,524 for the years ended September 30, 2012 and 2011, respectively. Previously, the Association reported its estimates of services provided under its charity care programs based on gross charges. In connection with the Association's adoption of Accounting Standards Update (ASU) 2010-23, *"Health Care Entities (Topic 954): Measuring Charity Care for Disclosure,"* amounts previously reported for care provided under its charity care programs have been restated to reflect the Association's estimates of its direct and indirect cost of providing these services. This change had no impact on the Association's consolidated results of operations.

Estimated Malpractice Costs - The Association maintains malpractice insurance coverage under claims made policies through GRS in 2012 and 2011. A provision for estimated medical malpractice claims includes estimates of the ultimate costs for claims incurred but not reported and is included within accounts payable and accrued expenses on the Association's consolidated balance sheets.

Workers Compensation Costs - The Association is self-insured for workers' compensation. Estimated self-insurance liabilities are included within accrued payroll and related taxes and are $1,102,510 and $1,092,336 as of September 30, 2012 and 2011, respectively, and include estimates for claim obligations related to claims occurring through September 30, 2012 and 2011.

Unpaid Losses and Loss Adjustment Expenses - The reserve for unpaid losses and loss adjustment expenses and the related reinsurance recoverable includes case basis estimates of reported losses, plus supplemental amounts calculated based upon loss projections utilizing actuarial studies, Gaylord's own historical data and industry data. In establishing this reserve and the related reinsurance recoverable, GRS utilizes the findings of an independent consulting actuary. Management believes that its aggregate reserve for unpaid losses and loss adjustment expenses and the related reinsurance recoverable at year-end represents its best estimate, based on the available data, of the amount necessary to cover the ultimate cost of losses; however, because of the nature of the insured risks and limited historical experience, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such asset and liability at the consolidated balance sheet date. Accordingly, the ultimate asset and liability could be significantly in excess of or less than the amount indicated in these consolidated financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

Recognition of Premium Revenues - Premiums written are earned on a pro-rata basis over the related policy period. The portion of premiums that will be earned in the future is deferred and reported as unearned premiums.

Reinsurance - In the normal course of business, GRS seeks to reduce its loss exposure by reinsuring certain levels of risk with reinsurers. Reinsurance is accounted for in accordance with FASB ASC 944-20, *"Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts"*. Premiums ceded are expensed over the term of their related policies and recorded as a reduction of revenues.

Legislation - The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statues and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Association is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no known regulatory inquiries are pending, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Note 2 - Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Adopted - In August 2010, the FASB issued ASU No. 2010-23, *"Health Care Entities (Topic 954): Measuring Charity Care for Disclosure"*. ASU No. 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care. ASU No. 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct or indirect cost of providing the charity care, and requires disclosure of the method used to identify or determine such costs. This ASU is effective for fiscal years beginning after December 15, 2010, with retrospective application required. The Association's adoption of ASU 2010-23 did not have a material impact on its overall consolidated financial statements.

In August 2010, the FASB issued ASU No. 2010-24, *"Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries"*. ASU No. 2010-24 clarifies that a health care entity may not net insurance recoveries against related claim liabilities. In addition, the amount of the claim liability must be determined without consideration of insurance recoveries. This ASU is effective for fiscal years beginning after December 15, 2010. The Association's adoption of ASU 2010-24 did not have an impact on its overall consolidated financial statements.

Pending Accounting Pronouncements - In May 2011, the FASB issued ASU No. 2011-04, *"Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRs"*. ASU No. 2011-04 amends certain guidance in ASC 820, *"Fair Value Measurement"*. ASU 2011-04 expands ASC 820's existing disclosure requirements for fair value measurements and makes other amendments. ASU 2011-04 is effective for interim and annual reporting periods beginning after December 15, 2011 and will be applied on a prospective basis. The Association is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Association's consolidated financial statements.

In July 2011, the FASB issued ASU No. 2011-07, *"Health Care Entities (Topic 954), Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities"*. ASU 2011-07 requires a health care entity to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenues from an operating expense to a deduction from patient service revenues (net of contractual allowances and discounts). Additionally, enhanced disclosures about an entity's policies for recognizing revenue, assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts are required. ASU 2011-07 is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2012. The Association does not believe adoption of ASU 2011-07 will have a material impact on its overall consolidated financial statements.

Reclassification - Certain amounts in the 2011 consolidated financial statements have been reclassified to conform to the 2012 presentation. These reclassifications had no material effect on the 2011 consolidated financial statements.

Subsequent Events - Subsequent events have been evaluated through January 8, 2013, the date through which procedures were performed to prepare the consolidated financial statements for issuance. Management believes there are no subsequent events having a material impact on the consolidated financial statements.

Note 3 - Net Patient Service Revenue

The Association has agreements with third-party payers that provide for payments to the Association at amounts different from its established rates. Contractual payment rates are subject to final determination by reimbursement agencies under each program. A summary of the payment arrangements with major third-party payers follows:

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Note 3 - Net Patient Service Revenue (continued)

Medicare - Inpatient and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient payments are made based on a per discharge amount under the LTCH-DRG inpatient payment system. Outpatient payments are made based on a per encounter amount under the APC outpatient payment system. The Association is reimbursed under the prospective payment system and files annual cost reports, which are subject to audit.

Medicaid - Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospective rates per day of hospitalization. These rates are not subject to retroactive adjustment. Outpatient services are reimbursed based on a fee schedule or percent of charges based on the services provided.

Blue Cross - Services rendered to Blue Cross beneficiaries are reimbursed on a per diem basis based on contracted rates.

The Association has also entered into payment agreements with certain other commercial insurance carriers and health maintenance organizations. The basis for payment to the Association under these agreements includes prompt payment provisions and discounts from established charges.

Net patient service revenue for the years ended September 30, 2012 and 2011 is as follows:

	2012	2011
Gross patient service revenue	**$ 195,997,746**	$ 195,812,053
Contractual allowances and adjustments	**(125,671,003)**	(128,747,306)
Net patient service revenue	**$ 70,326,743**	$ 67,064,747

Revenue from the Medicare and Medicaid programs accounted for approximately 37% and 10%, respectively, of the Association's net patient revenue for 2012 and 40% and 9%, respectively, for 2011. Revenue from Blue Cross accounted for approximately 22% and 19% in 2012 and 2011, respectively. No other payer accounted for more than 10% of revenue in 2012 and 2011. Net patient service revenues are based upon complex payment systems and include estimates of amounts yet to be collected. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. Any changes to estimates are recorded within current year operations.

The Association grants credit without collateral to its patients, most of whom are insured under third-party payer agreements. The following summarizes payers that account for more than 10 percent of patient accounts receivable as of September 30, 2012 and 2011:

	2012	2011
Medicare	**38%**	46%
Medicaid	**10%**	11%
Blue Cross	**19%**	14%

Monthly, management reviews accounts receivable for uncollectible amounts and records an allowance for doubtful accounts based on specifically identified accounts, as well as an amount for expected bad debt based on historical losses.

Note 4 - Investments

Board-designated and donor restricted investments are invested as follows as of September 30, 2012 and 2011:

	2012		2011	
	Cost	Market Value	Cost	Market Value
Cash and money market funds	$ 81,275	$ 81,275	$ 318,590	$ 318,590
Alternative investment funds	2,080,608	2,224,716	2,519,488	2,047,429
Equity securities	4,258,787	5,324,232	5,116,350	5,164,432
Mutual funds - fixed income	5,642,829	5,901,987	5,840,852	5,786,021
Mutual funds - equity	5,287,290	6,373,185	5,747,393	5,906,574
Total	$ 17,350,789	$ 19,905,395	$ 19,542,673	$ 19,223,046

Investment balances that have been restricted by donors as of September 30, 2012 and 2011 are $5,555,747 and $5,529,789, respectively. The Board of Directors of the Association has restricted all other investments.

Current assets that are held under a bond indenture agreement, are deposited with a trustee for debt service funds. Such amounts are invested in United States treasury notes. In addition, investments held for funding of captive insurance liabilities of $3,846,709 and $3,517,224 as of September 30, 2012 and 2011, respectively, are invested in bonds and fixed income mutual funds.

The Association also has a beneficial interest in trusts held by others of $11,240,066 and $9,748,956 as of September 30, 2012 and 2011, respectively. These funds are managed by the trustees of each fund and are invested primarily in cash equivalents, fixed income and equity securities.

The following table shows the investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of September 30, 2012 and 2011:

	Less than 12 Months		Greater than 12 Months		Total	
2012	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equity securities	$ 88,786	$ (13,811)	$ 159,203	$ (25,459)	$ 247,989	$ (39,270)
Alternative investment funds	-	-	996,770	(186,230)	996,770	(186,230)
Mutual funds	-	-	932,271	(21,926)	932,271	(21,926)
Total	$ 88,786	$ (13,811)	$ 2,088,244	$ (233,615)	$ 2,177,030	$ (247,426)

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Note 4 - Investments (continued)

2011	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equity securities	$ 641,790	$ (141,811)	$ 105,990	$ (18,418)	$ 747,780	$ (160,229)
Alternative investment funds	-	-	1,543,651	(430,058)	1,543,651	(430,058)
Mutual funds	3,788,645	(140,895)	5,542,242	(884,964)	9,330,887	(1,025,859)
Total	$ 4,430,435	$ (282,706)	$ 7,191,883	$ (1,333,440)	$ 11,622,318	$ (1,616,146)

In 2012 and 2011, none of the investments that were in an unrealized loss position were considered to be other than temporarily impaired.

Investment income is comprised of the following for the years ended September 30, 2012 and 2011:

	2012	2011
Income:		
Dividend and interest income	**$ 522,282**	$ 586,562
Net realized gains on investments	**515,365**	140,830
Total investment return	**$ 1,037,647**	$ 727,392
Other changes in unrestricted net assets:		
Unrealized gains (losses) on other than trading securities	**$ 2,557,046**	$ (1,132,499)

Investments in Joint Ventures - The Association has a fifty percent ownership interest in Fitness & Wellness and a fifty percent ownership interest in GSHC. The Association accounts for its investment interest in these entities using the equity method of accounting.

The Association's share of Fitness & Wellness's net loss for the years ended September 30, 2012 and 2011 was $195,647 and $118,629, respectively. In addition, the Association made a capital contribution to Fitness & Wellness of $45,000 and $30,601 during the fiscal years ended September 30, 2012 and 2011, respectively. The carrying amount of the Fitness & Wellness investment was $335,919 and $486,566 as of September 30, 2012 and 2011, respectively, and is included in other assets.

The Association's share of GSHC's net gain for the year ended September 30, 2012 and 2011 was $120,396 and $113,325, respectively. The Association has a receivable of $95,635 and $102,213 due from GSHC for a capital distribution as of September 30, 2012 and 2011, respectively, which is included within other current assets on the accompanying consolidated balance sheets. The carrying amount of the GSHC investment was $125,323 and $100,562 as of September 30, 2012 and 2011, respectively and is included in other assets.

Note 5 - Fair Value Measurements

FASB ASC 820-10, *"Fair Value Measurements and Disclosures"*, provides a framework for measuring fair value. That framework provides a fair value hierarch that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has specified (contractual) terms, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies for assets and liabilities measured at fair value. There have been no changes in methodologies used as of September 30, 2012 and 2011:

Cash and money market funds - Valued at the closing price reported on the active market on which the individual securities are traded.

Equity securities - Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds - Valued at the closing price reported on the active market on which the individual securities are traded.

Limited partnerships - Valued based on net asset value (NAV) as calculated separately for each class and subclass of shares and for each series within a class of shares equal to the value of gross assets less gross liabilities at the date of determination divided by the total number of outstanding shares. Certain investments may not have readily available market values and may be subject to certain withdrawal restrictions. Liquidity can vary based on various factors and may include lock-up periods as well as redemption fees and/or restrictions. Audited financial statements were obtained as of December 31, 2011 and 2010, which reported unqualified opinions. Values as of September 30, 2012 and 2011 were determined utilizing the same methodologies as those reported in the audited financial statements as of December 31, 2011 and 2010. The following are the major categories of limited partnerships:

Note 5 - Fair Value Measurements (continued)

REITs - This asset class seeks to generate net returns in excess of the UBS Global Real Estate Investor Index through the creation and active management of a portfolio of publicly traded securities issued by real estate investment trusts and other publicly held real estate company in North America, Europe, Australia and Asia.

Limited liability companies - Valued periodically based on the NAV per share. The NAV is determined by the investee company's investment manager or custodian by deducting from the value of assets of the investee company all its liabilities and the resulting number is divided by the outstanding number of shares or units. The NAV per share is then multiplied by the total number of shares held by the Fund at the fiscal year end. Certain investments may not have readily available market values and may be subject to certain withdrawal restrictions. Liquidity can vary based on various factors and may include lock-up periods as well as redemption fees and/or restrictions. Audited financial statements were obtained as of December 31, 2011 and 2010, which reported unqualified opinions. Values as of September 30, 2012 and 2011 were determined utilizing the same methodologies as those reported in the audited financial statements as of December 31, 2011 and 2010. The following are the major categories of limited liability companies:

Domestic equity - This asset class seeks to achieve long-term capital appreciation by investing in a portfolio of small and medium capitalization companies defined as companies whose market capitalizations fall within the range of the Russell 2500 index at the time of purchase.

Registered investment companies - Shares of registered investment companies are valued at the NAV of the shares held by the Fund at year end, where NAV is based on the fair value of the underlying assets in each fund. The following are the major categories of registered investment companies:

REITs - This asset class seeks to provide the diversification and total return potential of investments in real estate by investing primarily in companies whose business is to own, operate, develop and manage real estate.

If quoted prices in active markets for identical assets and liabilities are not available, then quoted prices for similar assets and liabilities, quoted prices for identical assets or liabilities in inactive markets or inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, will be used to determine fair value (Level 2 inputs). Securities typically priced using Level 2 inputs include government securities, corporate bonds and certificates of deposit.

Beneficial interest in trusts held by others - The value of the Association's assets is based on total fund values and the Association's corresponding beneficiary percentage.

Interest rate swap liability - The interest rate swap agreement is valued using third-party models that use observable market conditions as their input.

Investments measured at NAV are subject to various management, incentive and other fees based on NAV, classes, capital account balances and/or capital commitments. Investments may also be subject to lock up periods. The following table outlines restrictions on investments valued at NAV as of September 30, 2012 and 2011:

	Fair Value		Redemption Frequency	Redemption Notice
	2012	2011	(if Currently Eligible)	Period
Limited partnerships - REITs	$ 511,599	$ 525,469	Monthly	15 business days prior to month end
Limited liability companies - domestic equity	$ 1,151,558	$ 1,018,182	Daily	Not applicable
Registered investment companies - REITs	$ 485,172	$ 503,778	Daily	Not applicable

Note 5 - Fair Value Measurements (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the financial instruments carried at fair value as of September 30, 2012 by the valuation hierarchy:

2012	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Cash and money market funds	$ 81,275	$ -	$ -	$ 81,275
Limited partnerships - REITs	-	511,599	-	511,599
Limited liability companies - domestic equity	-	1,151,558	-	1,151,558
Registered investment companies - REITs	-	485,172	-	485,172
Public REITs	-	76,387	-	76,387
Equity securities:				
U.S. large cap	3,724,618	-	-	3,724,618
U.S. mid cap	1,514,569	-	-	1,514,569
International developed	60,820	-	-	60,820
Emerging markets	24,225	-	-	24,225
Mutual funds - fixed income:				
Investment grade taxable	3,901,578	-	-	3,901,578
International developed	2,000,409	-	-	2,000,409
Mutual funds - equity:				
International developed	5,440,914	-	-	5,440,914
Emerging markets	932,271	-	-	932,271
Total	17,680,679	2,224,716	-	19,905,395
Investments held for captive insurance liabilities:				
Mutual funds - fixed income	52,476	979,871	-	1,032,347
Mutual funds - equity	424,542	-	-	424,542
Fixed income securities	-	2,389,820	-	2,389,820
Total	477,018	3,369,691	-	3,846,709
Funds held under bond indenture agreements	189,467	-	-	189,467
Beneficial interest in trusts held by others	-	-	11,240,066	11,240,066
Total	$ 18,347,164	$ 5,594,407	$ 11,240,066	$ 35,181,637
Liabilities:				
Interest rate swap liability	$ -	$ 4,712,094	$ -	$ 4,712,094
Total	$ -	$ 4,712,094	$ -	$ 4,712,094

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Note 5 - Fair Value Measurements (continued)

The following table presents the financial instruments carried at fair value as of September 30, 2011 by the valuation hierarchy:

2011	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Cash and money market funds	$ 318,590	$ -	$ -	$ 318,590
Limited partnerships - REITs	-	525,469	-	525,469
Limited liability companies - domestic equity	-	1,018,182	-	1,018,182
Registered investment companies - REITs	-	503,778	-	503,778
Equity securities:				
U.S. large cap	3,815,823	-	-	3,815,823
U.S. mid cap	1,320,396	-	-	1,320,396
Emerging markets	28,213	-	-	28,213
Mutual funds - fixed income:				
Investment grade taxable	3,955,053	-	-	3,955,053
International developed	1,830,968	-	-	1,830,968
Mutual funds - equity:				
International developed	4,995,026	-	-	4,995,026
Emerging markets	911,548	-	-	911,548
Total	17,175,617	2,047,429	-	19,223,046
Investments held for captive insurance liabilities:				
Mutual funds - fixed income	47,232	896,974	-	944,206
Mutual funds - equity	269,369	-	-	269,369
Fixed income securities	-	2,303,649	-	2,303,649
Total	316,601	3,200,623	-	3,517,224
Funds held under bond indenture agreements	179,780	-	-	179,780
Beneficial interest in trusts held by others	-	-	9,748,956	9,748,956
Total	$ 17,671,998	$ 5,248,052	$ 9,748,956	$ 32,669,006
Liabilities:				
Interest rate swap liability	$ -	$ 4,155,222	$ -	$ 4,155,222
Total	$ -	$ 4,155,222	$ -	$ 4,155,222

As of September 30, 2012 and 2011, the Association's other financial instruments included accounts receivable, pledges receivable, accounts payable and accrued expenses, line of credit, estimated third-party payer settlements, captive insurance reserves, long-term debt and capital lease obligations. The carrying amounts reported in the consolidated balance sheets for these financial instruments approximate their fair value.

Note 5 - Fair Value Measurements (continued)

The following are the changes within the beneficial interest in trusts held by others for the years ended September 30, 2012 and 2011, which are classified as Level 3 within the fair value hierarchy:

	2012
Balance as of October 1, 2011	$ 9,748,956
Net change in market value	1,960,344
Distributions	(469,234)
Balance as of September 30, 2012	$ 11,240,066

	2011
Balance as of October 1, 2010	$ 10,168,420
Net change in market value	48,072
Distributions	(467,536)
Balance as of September 30, 2011	$ 9,748,956

Note 6 - Property, Plant and Equipment

Property, plant and equipment consists of the following as of September 30, 2012 and 2011:

	2012	2011
Land and improvements	**$ 1,820,966**	$ 3,567,551
Buildings and improvements	**57,491,710**	57,358,538
Fixed and moveable equipment	**33,563,642**	32,234,859
	92,876,318	93,160,948
Less: accumulated depreciation and amortization	**(54,894,036)**	(51,406,912)
	37,982,282	41,754,036
Construction in progress	**195,112**	183,550
Total	**$ 38,177,394**	$ 41,937,586

Depreciation expense for the years ended September 30, 2012 and 2011 amounted to $3,487,125 and $3,455,220, respectively. Amortization expense for equipment under capital lease obligations was $395,108 and $416,990 as of September 30, 2012 and 2011, respectively.

Note 7 - Other Assets

Other assets as of September 30, 2012 and 2011 are as follows:

	2012	2011
Investment in Fitness & Wellness	$ 355,919	$ 486,566
Investment in GSHC	125,323	100,562
Deferred financing costs	336,390	352,214
Deposits and other	128,528	146,747
Total	$ 946,160	$ 1,086,089

Note 8 - Long-Term Debt, Lines of Credit and Lease Arrangements

Lines of Credit - The Association had available a $5,000,000 line of credit agreement, which was available for payment of costs associated with the construction of the 36-bed inpatient pavilion. On January 30, 2009, the Association converted this line of credit to a line of credit note in the amount of $1,625,000. As of September 30, 2012 and 2011, the Association had $0 and $450,000, respectively, outstanding on this line of credit note. Borrowings on the line of credit note were payable in annual installments with the final payment due on July 3, 2012. At the Association's option, the line of credit note bears interest at the bank's prime rate, as defined, plus 150 basis points or LIBOR plus 175 basis points.

Long-term Obligations - The Association also had a $3,000,000 line of credit agreement, which was renewable on an annual basis. On January 30, 2009, the Association converted this line of credit into a term loan promissory note whereby the $3,000,000 is payable in equal monthly installments of $50,000 with a final payment on January 31, 2014. At the Association's option, the term loan promissory note bears interest at the bank's prime rate, as defined, or LIBOR plus 100 basis points. As of September 30, 2012 and 2011, the Association had $850,000 and $1,400,000, respectively, outstanding on this term loan.

In April 2007, the Association, in conjunction with the State of Connecticut Health and Educational Facilities Authority (CHEFA), issued $21,530,000 of Gaylord Hospital Series B variable rate demand revenue bonds (the Series B Bonds). The bond proceeds were used to refinance the amounts outstanding on the CHEFA Series A revenue bonds and for the construction of a 36-bed addition.

The Series B Bonds bear interest at a variable rate as determined by a re-marketing agent (approximately 0.2% and 0.3% as of September 30, 2012 and 2011, respectively), which is adjusted weekly, and matures on July 1, 2037. For as long as the bonds are variable rate, the bond holders have the option to tender their bonds for repayment. The Association has a letter of credit from Bank of America, N.A., which is available to support its obligations under the Series B Bonds during this period. The letter of credit expires on January 3, 2014, subject to extension or earlier termination upon the occurrence of certain events set forth in the letter of credit agreement. At that time, the letter of credit can be renewed, at the bank's discretion, the Association can convert the bonds to a fixed rate or repurchase the bonds outstanding on that date at their par value. Tenders made by bond holders will be remarketed or, if necessary, paid by the drawdowns on the letter of credit. Any tender drawings made under the letter of credit are to be repaid by the Association on the expiration date of the letter of credit. As of September 30, 2012 and 2011, the Association had $18,465,000 and $19,135,000, respectively, outstanding on the Series B Bonds.

Note 8 - Long-Term Debt, Lines of Credit and Lease Arrangements (continued)

The Series B loan and letter of credit agreements include certain financial covenants including a minimum debt service coverage ratio of 1.25 to 1, a minimum required amount of unrestricted liquid assets of $10.0 million, and other restrictions, including limitations on future indebtedness and liens. The Association was in compliance with all covenants for 2012 and 2011.

Lease Abandonment Obligations - During 2010, the Association recorded a loss on abandonment of a long-term rental property in the amount of $147,543. The lease was previously accounted for as an operating lease and the Association was no longer utilizing the rental property and is unable to sublease the property. Consequently, the Association's liability represents the present value of future minimum lease payments under this lease of $23,568 as of September 30, 2012. The lease expires in January 2013.

During 2009, the Association recorded a loss on abandonment of a long-term rental property in the amount of $92,035. The lease was previously accounted for as an operating lease and the Association was no longer utilizing the rental property and is unable to sublease the property. Consequently, the Association's liability represents the present value of future minimum lease payments under this lease of $5,530 as of September 30, 2012. The lease expires in December 2013.

Letter of Credit - As a result of being self-funded for its workers' compensation program, the Association is required by the State of Connecticut Workers' Compensation Commission to hold a letter of credit in the aggregate amount of $650,000 as of September 30, 2012 and 2011. As of September 30, 2012 and 2011, there are no outstanding balances on the letter of credit.

Capital Lease Obligations - The Association leases certain equipment and software under capital lease obligations, expiring through December 2019. Future payments, including interest are as follows:

2013	$ 173,687
2014	56,108
2015	32,593
2016	32,593
2017	29,045
Thereafter	55,059
Less: interest	(43,008)
Total	$ 336,077

Note 8 - Long-Term Debt, Lines of Credit and Lease Arrangements (continued)

A summary of long-term debt and capital lease obligations as of September 30, 2012 and 2011 are as follows:

	2012	2011
Long-term debt obligation	**$ 18,465,000**	$ 19,135,000
Term loan promissory note	**850,000**	1,400,000
Capital lease obligations	**336,077**	416,044
Lease abandonment obligation	**29,098**	106,507
	19,680,175	21,057,551
Less: current portion	**(1,526,815)**	(1,487,242)
Total	**$ 18,153,360**	$ 19,570,309

Scheduled principal repayments on the long-term debt and capital lease obligations as of September 30, 2012 are as follows:

2013	$ 1,526,815
2014	983,500
2015	785,919
2016	817,286
2017	850,129
Thereafter	14,716,526
Total	$ 19,680,175

Operating Leases - The Association leases various equipment and space under operating leases expiring at various dates and month-to-month agreements. Some of these leases contain renewal options. Rent expense under such operating leases and agreements is $495,570 and $490,304, in 2012 and 2011, respectively. The following is a schedule of future minimum payments under non-cancellable operating leases as of September 30, 2012:

2013	$ 421,727
2014	422,506
2015	401,315
2016	360,003
2017	198,333
Thereafter	394,222
Total	$ 2,198,106

In addition, the Association leases land under a long-term lease agreement through 2106 to a third-party. Rental income is based on a percentage of the gross income earned by the lessee. Total rental income from this property was $196,124 and $182,096 for 2012 and 2011, respectively, and is included in other operating revenue in the accompanying consolidated statements of operations and changes in net assets and shareholder's equity.

Note 9 - Derivatives

The Association uses derivative instruments, specifically an interest rate swap, to manage its exposure to changes in the interest rate on its CHEFA debt. The use of derivative instruments exposes the Association to additional risks related to the derivative instrument, including market risk, credit risk and termination risk as described below, and the Association has defined risk management practices to mitigate these risks, as appropriate.

Market risk represents the potential adverse effect on the fair value and cash flow of a derivative instrument due to changes in interest rates or rate spreads. Market risk is managed through ongoing monitoring of interest rate exposure based on set parameters regarding the type and degree of market risk that the Association will accept. Credit risk is the risk that the counterparty on a derivative instrument may be unable to perform its obligation during the term of the contract. When the fair value of a derivative contract is positive, the counterparty owes the Association, which creates credit risk. Credit risk is managed by setting stringent requirements for qualified counterparties at the date of execution of a derivative transaction and requiring counterparties to post collateral in the event of a credit rating downgrade or if the fair value of the derivative contract exceeds a negotiated threshold.

Termination risk represents the risk that the Association may be required to make a significant payment to the counterparty, if the derivative contract is terminated early. Termination risk is assessed at onset by performing a statistical analysis of the potential for a significant termination payment under various scenarios designed to encompass expected interest rate changes over the life of the proposed contract. The test measures the ability to make a termination payment without a significant impairment to the Association's ability to meets its debts or liquidity covenants.

On August 1, 2007, the Association entered into an interest rate swap agreement with an initial notional amount of $21,530,000 to reduce the exposure to fluctuations in interest rates related to its CHEFA debt. The swap agreement, which expires in June 2027, requires that the Association make monthly payments to the counter-party, Bank of America, N.A., based upon a fixed interest rate of 4.28% and in return receives monthly payments from Bank of America, N.A. based on the Bond Index Association Municipal Swap Rate Index rate (0.18% and 0.16% as of September 30, 2012 and 2011, respectively). The notional amount is scheduled to decrease as principal is paid on the CHEFA debt. Net amounts paid under the swap is recorded as additional interest expense. Based on information received from the counter-party, the swap agreement had an unfavorable fair value of $4,712,094 and $4,155,222 as of September 30, 2012 and 2011, respectively.

Management has not designated the swap agreement as a hedging instrument. The change in fair value of the interest rate swap of $556,872 and $508,193 for the years ended September 30, 2012 and 2011, respectively, is recorded in the consolidated statements of operations and changes in net assets as a component of non-operating income.

Note 10 - Net Assets

Temporarily restricted net assets are available for the following purposes as of September 30, 2012 and 2011:

	2012	2011
Health care services:		
Patient special needs	**$ 6,789**	$ 11,506
Other restricted purposes	**821,509**	498,966
Capital campaign	**321,166**	696,762
Total	**$ 1,149,464**	$ 1,207,234

Note 10 - Net Assets (continued)

The assets in the above table restricted for health care services are included within cash and cash equivalents on the accompanying consolidated balance sheets.

Permanently restricted net assets are restricted to the following purposes as of September 30, 2012 and 2011:

	2012	2011
Investments to be held in perpetuity, the income of which is expendable to support patient special needs and other services	**$ 5,555,747**	$ 5,529,789
Beneficial interest in trusts held by others, the income of which is expendable to support other health care services	**11,240,066**	9,748,956
Total	**$ 16,795,813**	$ 15,278,745

The Association's endowment consists of multiple funds established for a variety of purposes. The endowment includes both donor-restricted endowment fund and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, included funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor restrictions.

The Association has interpreted the relevant laws as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association during its annual budgeting process.

The Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the Association and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Association; and (7) the investment policies of the Association.

Note 10 - Net Assets (continued)

Changes in net assets for endowments and temporary restricted funds for the year ended September 30, 2012 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance as of October 1, 2011	$ 13,693,257	$ 510,472	$ 5,529,789	$ 19,733,518
Investment return:				
Investment income	522,282	74,943	-	597,225
Net change in market value	3,357,842	317,187	-	3,675,029
Contributions	-	719,251	25,958	745,209
Expenditures	(3,223,733)	(793,555)	-	(4,017,288)
Balance as of September 30, 2012	$ 14,349,648	$ 828,298	$ 5,555,747	$ 20,733,693

Changes in net assets for endowments and temporary restricted funds for the year ended September 30, 2011 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance as of October 1, 2010	$ 16,458,755	$ 597,512	$ 5,500,469	$ 22,556,736
Investment return:				
Investment income	586,562	-	-	586,562
Net change in market value	(1,321,431)	-	-	(1,321,431)
Contributions	-	187,488	29,320	216,808
Expenditures	(2,030,629)	(274,528)	-	(2,305,157)
Balance as of September 30, 2011	$ 13,693,257	$ 510,472	$ 5,529,789	$ 19,733,518

Funds with Deficiencies - From time to time the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or relevant law requires the Association to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. As of September 30, 2012 and 2011, there were no funds that were below the level required by donor or law.

Return Objectives and Risk Parameters - The Association's investment and spending policies for endowment assets attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Board targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 10 - Net Assets (continued)

Spending Policy - During its annual budgeting process, the Association appropriates donor restricted endowment funds for expenditure in accordance with donor purpose and time restrictions. During the year ended September 30, 2012 and 2011, the Board appropriated $3,223,733 and $2,030,629, respectively of funds for expenditure from its board restricted endowment funds. The board restricted endowment funds are being held for long-term growth and to maintain capital reserves for the Association.

Note 11 - Pension Plans

The Association has a noncontributory, defined benefit plan (the Plan). The benefits are based on years of service and an average of the five consecutive calendar years of highest compensation during the last ten years of employment. The Association makes contributions in amounts sufficient to fund the Plan as required by ERISA. The Plan was frozen effective October 31, 2004.

The following summarizes significant disclosures relating to the Plan as of September 30, 2012 and 2011:

	2012	2011
Change in benefit obligations:		
Benefit obligations at beginning of year	**$ 36,167,672**	$ 34,102,808
Interest cost	**1,664,730**	1,712,734
Service cost	**280,000**	250,000
Actuarial loss	**4,540,807**	2,410,259
Expected administrative expenses	**(247,351)**	(250,000)
Benefits and plan expenses paid	**(2,487,533)**	(2,058,129)
Benefit obligations at end of year	**$ 39,918,325**	$ 36,167,672
Change in plan assets:		
Fair value of plan assets at beginning of year	**$ 18,725,052**	$ 19,013,691
Actual return on plan assets	**3,616,821**	418,501
Employer contributions	**2,208,733**	1,669,458
Benefits and plan expenses paid	**(2,487,533)**	(2,058,129)
Administrative expenses	**(247,351)**	(318,469)
Fair value of plan assets at end of year	**$ 21,815,722**	$ 18,725,052
Accrued pension liability:		
Unfunded status	**$ (18,102,603)**	$ (17,442,620)

Note 11 - Pension Plans (continued)

	2012	2011
Net periodic benefit cost:		
Interest cost	**$ 1,664,730**	$ 1,712,734
Service cost	**280,000**	250,000
Actuarial loss recognized	**446,966**	302,929
Expected return on plan assets	**(1,231,392)**	(1,426,234)
Net periodic benefit cost	**$ 1,160,304**	$ 839,429

Benefits expected to be paid over the next five years and the five years thereafter are as follows:

2013	$ 2,477,396
2014	$ 2,749,163
2015	$ 2,538,032
2016	$ 2,489,282
2017	$ 2,698,586
Years 2018-2022	$ 12,769,366

Amounts recorded in unrestricted net assets as of September 30, 2012 and 2011, not yet amortized as components of net periodic benefit cost are as follows:

	2012	2011
Unamortized actuarial loss	**$ 19,876,724**	$ 18,168,312

The amortization of the above items expected to be recognized in net periodic benefit income for the year ended September 30, 2012 is $638,042.

The following summarizes the key weighted-average actuarial assumptions used in determining the Plan's benefit obligation and net benefit income:

	2012	2011
Benefit obligations:		
Discount rate	**3.85%**	4.75%
Net periodic benefit cost:		
Discount rate	**4.75%**	5.25%
Expected long-term return on plan assets	**6.00%**	6.80%

Note 11 - Pension Plans (continued)

The fair values of the Association's plan assets, by asset category are as follows, for the year ended September 30, 2012 and 2011:

2012	Level 1	Level 2	Level 3	Total
Money market funds	$ 750,129	$ -	$ -	$ 750,129
Mutual funds - fixed income	9,541,727	-	-	9,541,727
Mutual funds - equities	7,911,780	-	-	7,911,780
Equity securities:				
Consumer discretionary	502,451	-	-	502,451
Consumer staples	269,917	-	-	269,917
Energy	174,229	-	-	174,229
Financial	218,765	-	-	218,765
Health care	331,953	-	-	331,953
Industrials	140,853	-	-	140,853
Information technology	954,988	-	-	954,988
Other	168,623	-	-	168,623
Limited liability company	-	749,504	-	749,504
REIT	-	100,803	-	100,803
Total	$ 20,965,415	$ 850,307	$ -	$ 21,815,722

2011	Level 1	Level 2	Level 3	Total
Money market funds	$ 634,938	$ -	$ -	$ 634,938
Mutual funds - fixed income	8,943,175	-	-	8,943,175
Mutual funds - equities	6,302,610	-	-	6,302,610
Equity securities:				
Consumer discretionary	357,790	-	-	357,790
Consumer staples	233,928	-	-	233,928
Energy	193,891	-	-	193,891
Financial	173,403	-	-	173,403
Health care	228,892	-	-	228,892
Industrials	96,075	-	-	96,075
Information technology	773,860	-	-	773,860
Other	208,820	-	-	208,820
Limited liability company	-	577,670	-	577,670
Total	$ 18,147,382	$ 577,670	$ -	$ 18,725,052

Note 11 - Pension Plans (continued)

The Association's investment policy is to minimize risk by balancing investments between equity securities and fixed income debt securities, utilizing a weighted average approach with a minimum split of 60% equity securities and 40% fixed income debt securities and a maximum split of 80% equity securities and 20% fixed income debt securities. The expected return on plan assets assumption was determined based on a review of the Plan's asset mix, capital market assumptions, and a review of the actual return on plan assets over the past ten years.

The Association has a defined contribution benefit plan, which became effective January 1, 2005. Substantially all full time employees are eligible to participate in the defined contribution plan. The Association made contributions to this plan totaling $194,812 and $131,973 in 2012 and 2011, respectively. Employees become vested in the Association's contributions in three to five years. The portion of the employees contributions unvested upon termination are forfeited and used to reduce future contributions made by the Association on a dollar-for-dollar basis.

The Association also has established a 403(b) plan. Participants may elect to contribute a specific percentage of their compensation in pre-tax deferrals subject to established Internal Revenue Code limitations. Currently, the Association does not contribute to this plan.

The Association also has supplemental retirement plan agreements with certain former and current senior executives. The obligation related to this agreement is approximately $50,000 and $1,067,000 as of September 30, 2012 and 2011, respectively, and is recorded within accounts payable and accrued expenses within the accompanying consolidated balance sheets. During 2012, the Association made a payment of approximately $1,230,000 related to these agreements.

Note 12 - Functional Expenses

The Association provides health care services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2012 and 2011 is as follows:

	2012	2011
Health care services	$ **57,381,203**	$ 54,890,641
General and administrative	**17,551,669**	15,821,689
Fundraising	**811,166**	638,760
Total	$ **75,744,038**	$ 71,351,090

Note 13 - Captive Insurance Activities

Effective January 1, 2008, GRS provided commercial and general liability coverage on a claims made basis to the Association. The coverage limits for the Association were $1,000,000 per claim with an annual aggregate of $4,000,000, plus $100,000 each incident in the event the aggregate is fully eroded. There is no aggregate limit for the commercial general liability.

Effective January 1, 2008, GRS provided an umbrella liability claims-made policy with a limit of $10,000,000 each claim and in the aggregate. GRS has fully reinsured this coverage with a highly rated commercial reinsurance carrier.

Note 13 - Captive Insurance Activities (continued)

Effective January 1, 2008, GRS assumed through a loss portfolio transfer the outstanding loss obligations produced by CHCP, which covered incidents of healthcare professional liability and commercial general liability occurring at the Association from April 1, 2003 through December 31, 2007. The amount of the loss portfolio transfer was $1,482,688.

During the years ended September 30, 2012 and 2011, GRS issued a return premium in the amount of $900,000 and $675,000, respectively, to the Association. This return premium remains unpaid as of September 30, 2012 and 2011 and is reflected within due from affiliates on the accompanying consolidating balance sheet of the Association and is eliminated in consolidation.

A reconciliation of direct to net premiums on a written and earned basis is summarized as follows for years ended September 30, 2012 and 2011:

	Premium Written		Premium Earned	
	2012	2011	2012	2011
Direct premiums	$ **(157,031)**	$ 201,875	$ **(90,079)**	$ 197,188
Ceded premiums	**(325,000)**	(325,000)	**(325,000)**	(332,500)
Total	$ **(482,031)**	$ (123,125)	$ **(415,079)**	$ (135,312)

The liability for unpaid losses and loss adjustment expenses is included within captive insurance loss and other reserves on the accompanying consolidated balance sheets. Activity in the liability for unpaid losses and loss adjustment expenses is summarized as follows for the years ended September 30, 2012 and 2011:

	2012	2011
Balance at beginning of the year	$ **2,388,646**	$ 2,615,549
Less: reinsurance recoverables	**(678,921)**	(757,650)
Net balance beginning of the year	**1,709,725**	1,857,899
Incurred related to:		
Current year	**290,301**	333,402
Prior years	**(126,164)**	(474,602)
Total incurred	**164,137**	(141,200)
Paid related to:		
Current year	**-**	-
Prior years	**(89,779)**	(6,974)
Total paid	**(89,779)**	(6,974)
Net balance end of the year	**1,784,083**	1,709,725
Plus: reinsurance recoverables	**663,930**	678,921
Balance at end of the year	$ **2,448,013**	$ 2,388,646

Note 13 - Captive Insurance Activities (continued)

As a result of changes in estimates of insured events in prior years, the provision for losses and loss adjustment expenses decreased by $126,164 and $474,602 in 2012 and 2011, respectively.

The above liability for loss and loss adjustment expenses have been determined using a 4% discount rate. The ultimate settlement of losses may vary significantly from the reserves recorded. In particular, ultimate settlements on medical malpractice claims depend, among other things, on the resolution of litigation, the outcome of which is difficult to predict. Also, since the reserves have been discounted, there is the possibility that the timing of loss payments and income earned on invested assets will be significantly different than anticipated.

Included on the accompanying consolidated balance sheets is a reinsurance recoverable of $663,930 and $678,921 as of September 30, 2012 and 2011, respectively, which is due from one reinsurer. GRS continually evaluates the reinsurer's financial condition. There can be no assurance that reinsurance will continue to be available to GRS to the same extent, and at the same cost, as it has in the past. GRS may choose in the future to reevaluate the use of reinsurance to increase or decrease the amounts of risk it cedes to reinsurers.

Note 14 - Commitments and Contingencies

The Association is involved in various legal actions arising in the normal course of activities. Although the ultimate outcome is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolution of these pending matters will not have a material adverse effect, individually or in the aggregate, upon the Association's financial condition.

ASC 410-20 *"Accounting for Asset Retirement Obligations"* addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets such as facilities containing asbestos, when the amount of the liability can be reasonably estimated. No Asset Retirement Obligation (ARO) has been established as of September 30, 2012 and 2011, as no plans to renovate or sell any facility, or area within, with significant asbestos have been identified and therefore no settlement date has been determined. Management will continue to evaluate its exposure to asbestos removal and establish an ARO for the fair value of the associated costs once sufficient information has been obtained and a settlement date has been determined. Management does not believe that the liability is material to the overall consolidated financial results of the Association.

Note 15 - Risks and Uncertainties

Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

In addition, the Plan invests in various investments securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Note 16 - Pledges Receivable

Pledges receivable represent unconditional promises to give for the 36-bed addition. The following pledges are due to the Association as of September 30, 2012:

Due within one year	$	90,046
Due in one to five years		266,805
		356,851
Less: allowance for uncollectible pledges		(35,685)
Total	$	321,166

Note 17 - Supplemental Cash Flow Disclosures

The Association paid interest in the amount of $882,966 and $919,764 for the years ended September 30, 2012 and 2011, respectively.

Gaylord Farm Association, Inc.
Consolidating Balance Sheet
September 30, 2012

	Gaylord Hospital, Inc.	Gaylord Risk Solutions, Ltd.	Gaylord Farm Rehabilitation Center	Gaylord Research Institute, Inc.	Eliminations	Gaylord Farm Association, Inc.
Assets						
Current assets:						
Cash and cash equivalents	$ 392,491	$ 242,747	$ -	$ -	$ -	$ 635,238
Patient accounts receivable (less allowance of $458,000)	10,522,310	-	-	-	-	10,522,310
Assets whose use is limited:						
Assets held under bond indenture agreement	189,467	-	-	-	-	189,467
Pledges receivable, net	90,046	-	-	-	-	90,046
Due from affiliates	3,143,230	-	-	1,972	(3,145,202)	-
Other current assets	1,513,595	489,721	-	-	-	2,003,316
Total current assets	15,851,139	732,468	-	1,972	(3,145,202)	13,440,377
Assets whose use is limited:						
Pledges receivable	231,120	-	-	-	-	231,120
Board-designated investments	14,349,648	-	-	-	-	14,349,648
Donor restricted investments	5,555,747	-	-	-	-	5,555,747
Beneficial interest in trusts held by others	11,240,066	-	-	-	-	11,240,066
	31,376,581	-	-	-	-	31,376,581
Property, plant and equipment, net	38,177,394	-	-	-	-	38,177,394
Investments held for captive insurance liabilities	-	3,846,709	-	-	-	3,846,709
Reinsurance recoverable relating to captive insurance liabilities	-	663,930	-	-	-	663,930
Other assets	946,160	-	-	-	-	946,160
Total assets	$ 86,351,274	$ 5,243,107	$ -	$ 1,972	$ (3,145,202)	$ 88,451,151
Liabilities, Net Assets and Shareholder's Equity						
Current liabilities:						
Accounts payable and accrued expenses	$ 2,747,732	$ 63,899	$ -	$ -	$ -	$ 2,811,631
Accrued payroll and related taxes	4,730,818	-	-	-	-	4,730,818
Line of credit	-	-	-	-	-	-
Due to affiliates	-	900,000	2,245,202	-	(3,145,202)	-
Estimated amounts due to third-party payers	246,805	-	-	-	-	246,805
Current portion of accrued pension obligation	1,493,193	-	-	-	-	1,493,193
Current portion of long-term debt and capital lease obligations	1,526,815	-	-	-	-	1,526,815
Total current liabilities	10,745,363	963,899	2,245,202	-	(3,145,202)	10,809,262
Long-term debt and capital lease obligations, less current portion	18,153,360	-	-	-	-	18,153,360
Accrued pension obligation	16,609,410	-	-	-	-	16,609,410
Captive insurance losses and other reserves	-	2,819,498	-	-	-	2,819,498
Interest rate swap liability	4,712,094	-	-	-	-	4,712,094
Total liabilities	50,220,227	3,783,397	2,245,202	-	(3,145,202)	53,103,624
Net assets and shareholder's equity:						
Unrestricted	18,185,770	-	(2,245,202)	1,972	-	15,942,540
Temporarily restricted	1,149,464	-	-	-	-	1,149,464
Permanently restricted	16,795,813	-	-	-	-	16,795,813
Shareholder's equity	-	1,459,710	-	-	-	1,459,710
Total net assets and shareholder's equity	36,131,047	1,459,710	(2,245,202)	1,972	-	35,347,527
Total liabilities, net assets and shareholder's equity	$ 86,351,274	$ 5,243,107	$ -	$ 1,972	$ (3,145,202)	$ 88,451,151

See accompanying Independent Auditors' Report.

Gaylord Farm Association, Inc.
Consolidating Balance Sheet
September 30, 2011

	Gaylord Hospital, Inc.	Gaylord Risk Solutions, Ltd.	Gaylord Farm Rehabilitation Center	Gaylord Research Institute, Inc.	Eliminations	Gaylord Farm Association, Inc.
Assets						
Current assets:						
Cash and cash equivalents	$ 487,626	$ 397,069	$ -	$ -	$ -	$ 884,695
Patient accounts receivable (less allowance of $540,000)	10,001,815	-	-	-	-	10,001,815
Assets whose use is limited:						
Assets held under bond indenture agreement	179,780	-	-	-	-	179,780
Pledges receivable, net	386,657	-	-	-	-	386,657
Due from affiliates	2,543,065	-	-	1,972	(2,545,037)	-
Other current assets	1,183,998	760,853	-	-	-	1,944,851
Total current assets	14,782,941	1,157,922	-	1,972	(2,545,037)	13,397,798
Assets whose use is limited:						
Pledges receivable	310,105	-	-	-	-	310,105
Board-designated investments	13,693,257	-	-	-	-	13,693,257
Donor restricted investments	5,529,789	-	-	-	-	5,529,789
Beneficial interest in trusts held by others	9,748,956	-	-	-	-	9,748,956
	29,282,107	-	-	-	-	29,282,107
Property, plant and equipment, net	41,937,586	-	-	-	-	41,937,586
Investments held for captive insurance liabilities	-	3,517,224	-	-	-	3,517,224
Reinsurance recoverable relating to captive insurance liabilities	-	678,921	-	-	-	678,921
Other assets	1,086,089	-	-	-	-	1,086,089
Total assets	$ 87,088,723	$ 5,354,067	$ -	$ 1,972	$ (2,545,037)	$ 89,899,725
Liabilities, Net Assets and Shareholder's Equity						
Current liabilities:						
Accounts payable and accrued expenses	$ 4,805,123	$ 48,868	$ -	$ -	$ -	$ 4,853,991
Accrued payroll and related taxes	3,819,490	-	-	-	-	3,819,490
Line of credit	450,000	-	-	-	-	450,000
Due to affiliates	-	675,000	1,870,037	-	(2,545,037)	-
Estimated amounts due to third-party payers	246,805	-	-	-	-	246,805
Current portion of accrued pension obligation	2,743,352	-	-	-	-	2,743,352
Current portion of long-term debt and capital lease obligations	1,487,242	-	-	-	-	1,487,242
Total current liabilities	13,552,012	723,868	1,870,037	-	(2,545,037)	13,600,880
Long-term debt and capital lease obligations, less current portion	19,570,309	-	-	-	-	19,570,309
Accrued pension obligation	14,699,268	-	-	-	-	14,699,268
Captive insurance reserves	-	2,827,083	-	-	-	2,827,083
Interest rate swap liability	4,155,222	-	-	-	-	4,155,222
Total liabilities	51,976,811	3,550,951	1,870,037	-	(2,545,037)	54,852,762
Net assets and shareholder's equity:						
Unrestricted	18,625,933	-	(1,870,037)	1,972	-	16,757,868
Temporarily restricted	1,207,234	-	-	-	-	1,207,234
Permanently restricted	15,278,745	-	-	-	-	15,278,745
Shareholder's equity	-	1,803,116	-	-	-	1,803,116
Total net assets and shareholder's equity	35,111,912	1,803,116	(1,870,037)	1,972	-	35,046,963
Total liabilities, net assets and shareholder's equity	$ 87,088,723	$ 5,354,067	$ -	$ 1,972	$ (2,545,037)	$ 89,899,725

See accompanying Independent Auditors' Report.

Gaylord Farm Association, Inc.
Consolidating Statement of Operations
For the Year End September 30, 2012

	Gaylord Hospital, Inc.	Gaylord Risk Solutions, Ltd.	Gaylord Farm Rehabilitation Center	Gaylord Research Institute, Inc.	Eliminations	Gaylord Farm Association, Inc.
Revenues:						
Net patient service revenue	$ 70,082,884	$ -	$ 243,859	$ -	$ -	$ 70,326,743
Contributions and bequests	1,076,207	-	-	-	-	1,076,207
Earned written premium	-	(90,079)	-	-	90,079	-
Ceded premium	-	(325,000)	-	-	-	(325,000)
Other operating revenue	599,996	-	125,084	-	-	725,080
Net assets released from restrictions used for operations	279,175	-	-	-	-	279,175
Total revenues	72,038,262	(415,079)	368,943	-	90,079	72,082,205
Expenses:						
Salaries and related expenses	48,881,515	-	647,206	-	-	49,528,721
Other operating expenses	5,263,601	203,897	49,121	-	90,079	5,606,698
Professional fees and contract services	8,060,187	-	-	-	-	8,060,187
Supplies	5,034,738	-	-	-	-	5,034,738
Depreciation and amortization	3,857,816	-	42,636	-	-	3,900,452
Occupancy costs	2,145,309	-	-	-	-	2,145,309
Provision for bad debts	420,830	-	-	-	-	420,830
Interest	877,821	-	5,145	-	-	882,966
Loss and loss adjustment expenses	-	164,137	-	-	-	164,137
Total expenses	74,541,817	368,034	744,108	-	90,079	75,744,038
Loss from operations	(2,503,555)	(783,113)	(375,165)	-	-	(3,661,833)
Other gains, net:						
Dividend and interest income	441,541	80,741	-	-	-	522,282
Net realized gains on investments	515,365	-	-	-	-	515,365
Loss on equity investments	(75,252)	-	-	-	-	(75,252)
Change in fair value of interest rate swap agreement	(556,872)	-	-	-	-	(556,872)
Total other gains, net	324,782	80,741	-	-	-	405,523
Excess of revenues under expenses	$ (2,178,773)	$ (702,372)	$ (375,165)	$ -	$ -	$ (3,256,310)

See accompanying Independent Auditors' Report.

Gaylord Farm Association, Inc.
Consolidating Statement of Operations
For the Year Ended September 30, 2011

	Gaylord Hospital, Inc.	Gaylord Risk Solutions, Ltd.	Gaylord Farm Rehabilitation Center	Gaylord Research Institute, Inc.	Eliminations	Gaylord Farm Association, Inc.
Revenues:						
Net patient service revenue	$ 66,776,439	$ -	$ 288,308	$ -	$ -	$ 67,064,747
Contributions and bequests	913,165	-	-	-	-	913,165
Earned written premium	-	197,188	-	-	(197,188)	-
Ceded premium	-	(332,500)	-	-	-	(332,500)
Other operating revenue	507,069	-	130,599	-	-	637,668
Net assets released from restrictions used for operations	145,235	-	-	-	-	145,235
Total revenues	68,341,908	(135,312)	418,907	-	(197,188)	68,428,315
Expenses:						
Salaries and related expenses	46,226,061	-	597,339	-	-	46,823,400
Other operating expenses	5,490,261	178,205	60,013	-	(197,188)	5,531,291
Professional fees and contract services	6,818,453	-	-	-	-	6,818,453
Supplies	5,064,540	-	-	-	-	5,064,540
Depreciation and amortization	3,825,731	-	64,698	-	-	3,890,429
Occupancy costs	2,099,698	-	-	-	-	2,099,698
Provision for bad debts	344,715	-	-	-	-	344,715
Interest	912,115	-	7,649	-	-	919,764
Loss and loss adjustment expenses	-	(141,200)	-	-	-	(141,200)
Total expenses	70,781,574	37,005	729,699	-	(197,188)	71,351,090
Loss from operations	(2,439,666)	(172,317)	(310,792)	-	-	(2,922,775)
Other gains, net:						
Dividend and interest income	536,089	50,473	-	-	-	586,562
Net realized gains on investments	140,830	-	-	-	-	140,830
Loss on equity investments	(5,304)	-	-	-	-	(5,304)
Change in fair value of interest rate swap agreement	(508,193)	-	-	-	-	(508,193)
Total other gains, net	163,422	50,473	-	-	-	213,895
Excess of revenues under expenses	$ (2,276,244)	$ (121,844)	$ (310,792)	$ -	$ -	$ (2,708,880)

See accompanying Independent Auditors' Report.

AFFIDAVIT OF PUBLICATION

New Haven Register

STATE OF CONNECTICUT

County of New Haven

I ***Barbara Colello*** of New Haven, Connecticut, being duly sworn, do depose and say that I am a ***Sales Representative*** of the New Haven Register, and that on

the following date ....1/11/14, 1/12/14 & 1/13/14.....to wit.....

there was published in the regular daily edition of the said newspaper an

advertisement,

PUBLIC NOTICE
Gaylord Hospital is applying for a Certificate of Need pursuant to section 19a-638 of the general statues for the termination of its lease and closure of its Sleep Medicine site located at 37 Soundview Road, Guilford. There is no capital expenditure associated with this closing as it is a termination of the lease.

Barbara Colello

And that the newspaper extracts hereto annexed were clipped from each of the

above-named issues of said newspaper.

Subscribed and sworn to this ....5th..... day of ....Feb.... 20....14....Before me.

Mary Fodeveco

My Commission Expires 10/31/2017

65a

LOST AND FOUND

FOUND: Pointer Mix, neuter male, Black/White near Duck Pond and Edgewood Park on January 6th. No tags. Call to identify. 936-499-3379.

IMPOUNDED by NEW HAVEN ACO. Female, Lab, Black, Arch St; Male, Pit, Blue/White, Benton St; Male, Corso Mix, Brindle w/white, Benton St; Female, terrier hound mix, Brindle & White, Union St; Male, Chi Black/Tan, Filmore; If you have lost or wish to adopt a pet call 203-946-8110

IMPOUNDED BY WEST HAVEN ACO Beagle Mix, White/Orange, Male; Terrier Mix, Brindle/White, Female. Redeem within 7 days or will be sold as pet. 203-937-3642

APARTMENTS FOR RENT (FURNISHED)

HAMDEN The Carriage House 2297 Whitney Ave. Nr Yale, Quinn, 1 Month, Furnish all util. Start $950. 203-996-8067

NEW HAVEN - (3 Apts) 1, 3 & 5 BDRMS, Ready now. Must see. First mo Free. Newly remod. Min from Yale NH Hospital & schools. 203-589-7432.

APARTMENTS FOR RENT (UNFURNISHED)

NEW HAVEN, Call me for all your apartment needs. Houses, apartments, businesses. All Areas Everything you need. **MANNY 718-207-8895**

LOOK!

Ansonia
WINTER SPECIAL 1/2 off
First mo's rent. 2 BR Twn units peaceful wded setting. Close tspt & New Haven. $950-$1000. incl ht & & H/W. 203-734-5117

CHESHIRE
off Rte 10 2BR Twnhse $1000 appli, hdwd flrs. Sec depos. No dogs. 203-982-3230

LUCK IS only part of it! A classified ad is the rest!

PUBLISHER'S NOTICE

All real estate advertised in this newspaper is subject to the Federal Fair Housing Act of 1968 revised March 12, 1989 which makes it illegal to advertise any preference, limitation, or discrimination based on race, color, religion, national origin, gender, handicap or familial status or intention to make any such preference, limitation, or discrimination. It is also subject to Connecticut Public Act 80449 and the New Haven Ordinance to stop discrimination against families/single parents with children. All residential property advertised in this newspaper is subject to the Connecticut General Statutes Sections 46a-64c which prohibits the making, printing or publishing or cause to be made printed or published any notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation or discrimination based on race, creed, color, national origin, gender, marital status, age, lawful source of income, familial status, physical or mental disability or sexual orientation or an intention to make any such preference, limitation or discrimination
This newspaper will not knowingly accept any advertising for real estate or for the sale or rental of residential property which is in violation of these laws. If you feel you have been discriminated against or have any inquiries, please call the City of New Haven Fair Housing Program: (203) 946-8156

APARTMENTS FOR RENT (UNFURNISHED)

DERBY. 3 Bdrm, 2nd flr, in 2 family home. Nice backyard off street park, appl. incl., gas heat, carpeting,like new.$975. 1 mo. sec. 203-565-8049

An Apartment You'll Love
East Haven Line
off Main,
Elizabeth Ann Dr.
1st flr, 1 BR apt., appls, 203-488-5520, 203-530-0195.

EAST HAVEN WINTER SPECIAL
1st mo FREE RENT when signing 13 mo lease. Center of Town, Studios $750. 1BR $900 appli, w/w/c, A/C, laun on site. No dogs.
JFA Management
203-481-3910 X2

FAIR HAVEN, Spacious 2 BR. $825/mo. Off st. parking, utils not incl Call 203-400-2400

GUILFORD New 1BR, 1 bth apt 1200 sq.ft., rear patio, all appl in kit. central A/C, w&d hkups, no pets $1150 mo. + util, refer, sec. 203-640-1840

GUILFORD New 2BR Twnhse apt, 1/12 bth. appli in kit, rear deck, AC hkups for W&D. .No pets. $1350 mo. plus util , refer, & sec. 203-640-1840

HAMDEN 1BR Conventy located, on busline. With appliances. $750 plus util & 2 mo sec. No pets. 203-288-2196

An Apartment You'll Love
HAMDEN, 2nd flr., 5 rms, 2 BRs, LR, DR, kit w/pantry, stove, refrig. hdwd flrs, gas furnace, thermo windows, Sec. ref, lease, $1000. 203-281-6341.

NEW HAVEN 1 & 2 BR Starting at $770. FREE HEAT & HOT WTR. Fridge, Range. On-site laundry/more. (203) 776-5175

NEW HAVEN
1 bedroom apt. on Donna Drive. New carpet and paint. $750 mo + utilities.
203-907-0824

NEW HAVEN Four bedroom apartment. two full baths. Near bus route. No pets. Call James at 203-671-4119 for more information.

NEW HAVEN
Free Heat & Hot Wtr Incl
1,2, & 3, & 4 BRS
Newly renovated units
203-773-9710

APARTMENTS FOR RENT (UNFURNISHED)

NEW HAVEN
Orchard St., 3 BR's, 2nd flr, appls incld., 1 mo. Sec. dep. $900.
Call 203-444-4104

NEW HAVEN
SPOILED
FOR CHOICE!
Come take a look at our newly updated Apt homes throughout New Haven. Our homes range from 1,2 & 2BR Twn & huge 3BRS. Call our leasing office for current prices to view
203-387-7640

NEW HAVEN Very large, spac., 3 Bedrm, 5 rms w/lge closets on Whalley Ave., near Westville, 3rd flr,pictures available, bonus incentive. 203-430-7996

NEW HAVEN, 3 BR, 2nd & 3rd flr, together + lg. attic rm. remodeled, nr. Yale. Good area , W/D hkup. $1150/mo. + Sec. & utils. Pvt. ent. 203-804-4356

RENT NOW!

NORTHFORD - 1BR, 2nd floor apt. Ample off street parking, large yard. Nice, quiet area. $800. per month plus 2 months security. 203-996-4866

WALLINGFORD
Huge 1 & 2 BR. Newly renovated, W/W, appls., on-site laundry $795 to $950 & up. Call 203-269-5770.

WEST HAVEN
1BR: $795. Saw Mill Rd. Close to I-95 & MetroNorth. Utilities NOT incl. (203) 668-2528

WEST HAVEN 3BR, 1st and 2nd flr, liv room, dining room, new carpet, w/d hookups. $1275. 203-641-7099

WEST HAVEN
CRESTWOOD APTS
Affordable spacious newly decorated Studios, 1&2 BR s For Specials & Availability Call 203-932-4024
www.crestwoodrentals.com

RENT NOW!

WEST HAVEN
Fall Special 1/2 first month rent 1 BRS w/heat, HW included. $820-$850. Avail Now. For appt 203-931-7700

RENT NOW!

WESTVILLE - Near end of Emerson St. Beautiful 3BR, 5 rm, 1st flr. Big,scenic backyd, gar, w/d hkup., nice area, $1050. per mo. + sec. 203-932-0686

WESTVILLE mod elevator bldg, on busline to Yale. 1 BR. available Gated community, incl ht, hot wtr & parking. No pets. Good cred 203-931-5337

HOUSES FOR RENT (UNFURNISHED)

NORTHFORD - 3 bedroom, 1½ bath HOUSE. CA, hrdwd flrs throughout. Quiet Neighborhood. $1750/mo + utilities. 2 mo security. Call 203-996-8966

ROOMS FOR RENT

HAMDEN MT Carmel Share entire house. Furnished room, queen bed, cable TV, HBO,A/C internet, washer & dryer. $185 week plus sec 203-248-7575

NEW HAVEN
Fully Furnished, cable TV w/HBO, busline. $225 per wk
203-389-9504

ROOMS FOR RENT

NEW HAVEN-downtown furn. rms. Conv to Yale, hosp, busline. Cable TV, util, maid srv Single occup. $m. sec dep. $170/wk & up.**203-787-1273**

SEYMOUR
furnished room, cbl TV, prvt. ent., utils. incl. $135/wkly. Call 203-888-2624.

COMMERCIAL RENTALS

MILFORD/BRANFORD
800 sq.ft. & up. Office & Warehouse. Damato Brothers
203-877-3276

VACATION & RESORT PROPERTY

Berkshires. Nr. Jiminy Peak, Tanglewood. Hrdwd flrs, granite kitchen. 3-BR, 2-BA. Deck. Pvt backyard. Garage. TAXES $450/Yr! Call 603-583-8252

HELP WANTED FULL TIME

AUTOMOTIVE
QUALITY HYUNDAI seeks Automobile Office Manager, must be proficient in Reynolds & Reynolds computer system. Forward Resume to QualityHyundai@outlook.com

MECHANICS - Semi trailer Mechanics with welding exp. Experience a plus - will train right individual. Must have own tools and a valid CT drivers license. Apply at Atlantic Star Trailers, 405 Industrial Ave., Cheshire. 203-250-8000.

CLASSIFIED IS OPEN
8:30 AM-5:30 PM
MON-FRI
Call 203-777-3278
or 1-877-872-3278
or email:
CLASSIFIEDADS@NHREGISTER.COM

Carpenters, Painters, Landscapers
Place your ad in our Business Card Section or our Service Directory. Our readers will call you! They trust our advertisers to do the job right! Give us a call today!

CLEANING OUT YOUR ATTIC OR GARAGE?
CALL 203-777-3278
TO ADVERTISE YOUR ARTICLES FOR SALE

DRIVERS

Drivers Wanted!

Publishers Circulation Fulfillment Inc. is seeking Delivery Service Providers (DSPs) for newspaper home delivery routes. DSP's are independently contracted. 7 days a week
2-3 hours daily, starting around 3AM. $350-500/bi-weekly

Routes available in: East Haven, West Haven, Madison, Shelton, Clinton, N. Branford, Branford, Woodbridge, and Bethany

No $$ collections. Must be 18+ yrs. old

Call: 1-800-515-8000

PCF

HEALTHCARE

RN Needed
11-7 Shift - 24-32 Hrs./Wk. Exp. Apply @ Marshall Lane Manor, 101 Marshall Lane, Derby, CT (M-F, 8am-4pm).

RESTAURANT FOOD SERVICE

Deli Help / Counter People
Great pay, overtime available. Apply in person at Napoli Deli, 982 Bridgeport Ave., Milford.

SKILLED LABOR

PLUMBER, (CT Lic'd - P1, P2) Permanent position for the right individual. Res & comm projects. Plb & heat. We offer comp wages & benefit pkg w/ vac, holiday & sick days, attendance bonus & retirement pkg. Call 203-458-6797.

Plumbers Wanted
P1, P-2 license.
Holidays, vacation, full medical & 401K. Call 203-488-1145.

CAREER TRAINING

Security Guard Card Training $75.00 - No Hidden Cost!
1 Day Class, Same Day Cert. Enroll Now: Tel: 203.701.9211
www.thealmgroup.com

A HOME OF YOUR OWN
The Job of Your Dreams
A Pet for the Children
A Second Car for Commuting
A Tag Sale 'Buried Treasure'
Find these and more in the New Haven Register Classifieds.

LEGAL NOTICES

LEGAL NOTICE

Per Section 7-394 of the CT General Statutes a copy of the South Central Regional Council of Governments annual audit for FY12/13 is on file at the Office of the Town Clerk, Town Hall, 18 Church Street, North Haven CT, and is available for public inspection.

LIQUOR PERMIT

Notice of Application
This is to give notice that I,
ANTHONY J. VILLANO
522 DERBY MILFORD RD
ORANGE, CT 06477-2303
Have filed an application placarded 01/04/2014 with the Department of Consumer Protection for a RESTAURANT LIQUOR PERMIT for the sale of alcoholic liquor on the premises at
1573 BOSTON POST RD
MILFORD CT 06460-2705
The business will be owned by: VILLANO'S RESTAURANT LLC
Entertainment will consist of: Acoustics (Not Amplified) Disc Jockeys Karaoke Live Bands
Objections must be filed by: 02/15/2014
ANTHONY J. VILLANO

PUBLIC NOTICE

Gaylord Hospital is applying for a Certificate of Need pursuant to section 19a-638 of the general statues for the termination of its lease and closure of its Sleep Medicine site located at 37 Soundview Road, Guilford. There is no capital expenditure associated with this closing as it is a termination of the lease.

LOST & FOUND

FOUND adult Siamese type cat, Brewster Rd., Milford 203-878-1122

DOGS

ALL BREEDS PUPPIES
Statewidepets.com
203-795-9931 / ORANG

DACHSHUND AKC
Mini Longhair Cream Male
8wks 203-598-5077 $1200

Yorkies,B.Dogs,Chihuas,Poodles,Bostons150+ 860-930-4001

YOU'LL NEVER KNOW how effective a classified ad is until you use one yourself! Reach the entire area without leaving the comfort of your home. Call and place your classified today to sell those unwanted items.

ANNOUNCEMENT

Help wanted advertisements in these columns have been accepted on the premise that jobs offered will be filled on the basis of merit. It is a violation of the Connecticut Fair Employment Practice Law to present or publish or cause to be published any notice or advertisement for employment which indicates preference or limitation based on sex, color, race, national ancestry or origin, religion, age, or physical disability. An exception exists if there is a bonafide occupational qualification for employment. All inquiries should be made to the Connecticut Commision on Human Rights and Opportunities, 50 Linden Street, Waterbury, Ct. 06702
Telephone (203)805-6530

Human Services

Job Fair
Residential Instructors

Community Residences, Inc. is a non-profit Human Services agency that is dedicated to assisting individuals with various special needs. We are currently looking for individuals to work in our Young Adult Residential Group Home, licensed by DDS, working with individuals with severe behavioral and intellectual disabilities located in Middletown, CT.

If you are interested, come and attend our Open House on Thursday January 16, 2014 at 205 Kelsey St, Newington, CT The open house will run from 9am-3pm.
Bring two written letters of professional recommendation.
We will ask you to complete an application and will guarantee each attendee an interview.

- Full-time and per diem positions available
- Benefits package, 401K & pension
- Weekend differential
- High Staff to Client Ratio

Qualified applicants must have:
- High School Diploma or GED
- Valid Driver's License
- Ability to lift 70-75 lbs.
- Ability to become DDS Medication Administration Certified
- Ability to complete required trainings during weekdays

Come talk with us!
See how you can make a difference in an individual's life.
Can't make it?
Apply online at:
www.crtinc.org
or fax your resume to:
860-628-7606.

Hope to see you there.

CLERICAL/ ADMINISTRATIVE

PAYROLL CLERK
Requires organization, detail oriented & multi tasking. Good computer, math, & people skills a must! Previous payroll exp. A+

RECEPTIONIST
FT (34 hours) for New Haven Office. Great communications skills, reliable and dependable a must! Bilingual a +!

Family Care Visiting Nurse
1-800-946-6331
Fax: 203-380-3582

EOE

COMPUTER PROGRAMMING

Intermediate Mobile Software Developer (Milford, CT) Work on mobile software application development, including feature design and architecture for major features of IOS, Android, Windows, MacOSX, and BlackBerry 10 applications. Send resume referencing job title & Ad #6025 to employer at: D. Conrad, CFO, DataViz, Inc., 612 Wheelers Farms Road, Milford, CT 06461.

CLEANING OUT YOUR ATTIC OR GARAGE?
CALL 203-777-3278
TO ADVERTISE YOUR ARTICLES FOR SALE

DENTAL

Orthodontist sought by West Haven Smile Dental LLC to perform orthodontic treatment in West Haven, CT. Req DDS, CT dental license, & Certificate in Orthodontics. Resume to West Haven Smile Dental LLC, 666 Campbell Ave, West Haven, CT 06516.

DRIVERS

MARTEN

DEDICATED Runs Available for drivers living in the Cheshire area
Wkly HOME TIME
Thru the house during the wk
New Equipment
Req'd: 1 yr OTR exp, 22 yrs. Old, & CDL-A
866-370-4476
www.drive4marten.com

Drivers Wanted!

Publishers Circulation Fulfillment Inc. is seeking Delivery Service Providers (DSPs) for newspaper home delivery routes. DSP's are independently contracted. 7 days a week 2-3 hours daily, starting around 3AM. $350-500/bi-weekly

Routes available in: East Haven, West Haven, Madison, Shelton, Clinton, N. Branford, Branford, Woodbridge, and Bethany

No $$ collections. Must be 18+ yrs. old

Call: 1-800-515-8000

PCF

HEALTHCARE

DDS PROGRAM CASE MANAGER
Previous exp. Case Managing persons with Disabilities/Special Needs/BA required. Education and exp. in Human Services Field and/or exp. with Medicaid Waiver Programs are preferred. Must be willing/able to travel throughout CT! Bilingual a +!

EXECUTIVE ASSISTANT
Previous administrative experience, preferably two to three years, in an health care office environment; exposure to dealing with confidential or sensitive information required. Outstanding organizational and follow-through skills. Strict attention to detail is a must. Excellent interpersonal skills. Very strong computer skills. Outlook, PowerPoint, Word and Excel skills must be excellent. High energy and assertive nature. Ability to multi-task is essential. Solid communication and writing skills. Prior experience working with executive management strongly preferred.

Family Care Visiting Nurse
1-800-946-6331
Fax: 203-380-3582
customerservice@familycarevn.com
www.familycarevn.com
EOE

RN Needed
11-7 Shift - 24-32 Hrs./Wk. Exp. Apply @ Marshall Lane Manor, 101 Marshall Lane, Derby, CT (M-F, 8am-4pm).

RESTAURANT FOOD SERVICE

Deli Help / Counter People
Great pay, overtime available. Apply in person at Napoli Deli, 982 Bridgeport Ave., Milford.

SKILLED LABOR

PLUMBER, (CT Lic'd - P1, P2) Permanent position for the right individual. Res & comm projects. Plb & heat. We offer comp wages & benefit pkg w/ vac, holiday & sick days, attendance bonus & retirement pkg. Call 203-458-6797.

Plumbers Wanted
P1, P-2 license.
Holidays, vacation, full medical & 401K. Call 203-488-1145.

SITUATIONS WANTED

Caregiver looking employ. 25 yrs exp. 7 yrs in long term facility. Dependable, reliable, caring & respectful. Great refs. Call Kathy 203-848-7782.

COMPANION/AIDE SEEKS position to care for the elderly, over 10 yrs exp. Exc. references. Very patient & dedicated. 347-446-3783; manchioneal88@gmail.com

HOME HEALTH AIDE looking for live-in position 24/7 w/10 yrs exp & gd refers. 914-584-5194

CAREER TRAINING

Security Guard Card Training
$75.00 - No Hidden Cost!
1 Day Class, Same Day Cert.
Enroll Now: Tel: 203.701.9211
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Place your ad in our Business Card Section or our Service Directory. Our readers will call you! They trust our advertisers to do the job right! Give us a call today!

LEGAL NOTICES

PUBLIC NOTICE
Gaylord Hospital is applying for a Certificate of Need pursuant to section 19a-638 of the general statues for the termination of its lease and closure of its Sleep Medicine site located at 37 Soundview Road, Guilford. There is no capital expenditure associated with this closing as it is a termination of the lease.

STATE OF CONNECTICUT
SUPERIOR COURT
Judicial District of New Haven At New Haven
Rosa C. Gomez, Plaintiff
vs.
Jose L. Garcia, Defendant
Docket NNHFA134056935
NOTICE TO: JOSE L. GARCIA
The Court has reviewed the Motion for Order of Notice and the Complaint/Application/Motion which asks for: Custody of children. The Court finds that the current address of the party to be notified is unknown and that all reasonable efforts to find him/her have failed. The Court also finds that the last known address of the party to be notified was: 195 Augur Street, Hamden, CT 06517. The Court Orders that notice be given to the party to be notified by having a State Marshal or other proper officer place a legal notice in: New Haven Register, a newspaper circulating in Hamden, CT, containing a true and attested copy of this Order of Notice, and, if accompanying a Complaint for divorce (dissolution of marriage), complaint for dissolution of civil union; legal separation or annulment, or if accompanying an Application for custody or visitation, a statement that Automatic Court Orders have been issued in the case as required by Section 25-5 of the Connecticut Practice Book and are a part of the Complaint/Application on file with the Court. The notice should appear before 1/11/14 for one time publication and proof of service shall be filed with this Court.
Patricia Nielsen,
Asst Clerk
11/4/2013

FORECLOSURES

FORECLOSURE AUCTION SALE LEGAL NOTICE

Docket No. NNH-CV-12-6027241-S
Case Name: Onewest Bank, FSB vs. Rose Cusano, Et Al
Property Address: 358 Woodin Street Hamden, CT
Property Type: Single Family House
Date of Sale: Saturday, January 18, 2014 at 12:00 Noon
Committee Name: Francis J. Doherty, Committee
Phone Number: 203-287-9992
See Foreclosure Sales at www.jud.ct.gov for more detailed information

194899

LEGAL NOTICE FORECLOSURE AUCTION SALE

Docket No. NNHCV-13-6037237S
Case Name: CHFA vs. Peter F. Kokoszka, et al
Property Address: 132 Fair Street Wallingford, CT
Property Type: Residential
Date of Sale: January 18, 2014 at 12:00 p.m.
Committee Name: Michael P. Foley, Jr. Committee
Committee Phone Number: 203-250-7212
See Foreclosure Sales at www.jud.ct.gov for more detailed information

194852

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8:30 AM–5:30 PM MON-FRI
Call 203-777-3278 or 1-877-872-3278
or email: CLASSIFIEDADS@NHREGISTER.COM

FORECLOSURES

LEGAL NOTICE FORECLOSURE AUCTION SALE

Docket No: NNH CV 10-6010436 S
Case Name: Provident Funding Associates L.P. v. Marc Comeau, et al
Property Address: 42 Clayton Street Milford, Connecticut
Property Type: Residential
Date of Sale: January 18, 2014
Committee's Name: Attorney Lee Marlow
Committee's Phone Number: (203) 624-7476
See Foreclosure Sales at www.jud.ct.gov for more detailed information

194902

LEGAL NOTICE FORECLOSURE AUCTION SALE

Docket No.: CV10 6015491-S
Case Name: Webstr Bank, N.A. vs. Dennis Mathews, et al
Property Address: 66 Glemby Street Hamden, CT
Property Type: Residential
Date of Sale: January 18, 2014 at 12:00 noon
Committee Name: Patrick W. Frazier, Esq. Committee
Phone Number: (203) 230-2660
See Foreclosure Sales at www.jud.ct.gov for more detailed information

199196

LEGAL NOTICE FORECLOSURE AUCTION SALE

Docket No.: CV13-6039502S
Case Name: Town of Hamden vs. Widower, Heirs, Representatives and Creditors, Et al.
Property Address: 15 Fenway Drive Hamden, CT
Property Type: Residential
Date of Sale: Saturday January 18, 2014at 12:00 p.m.
Deposit: Certified or Bank check in the amount of Fourteen Thousand ($14,000.00) Dollars
Committee Name: Attorney Deborah Dombek Committee
Phone Number: 203-741-1171
Email: attydebdombek@snet.net
See Foreclosure Sales at www.jud.ct.gov for more detailed information

203403

LEGAL NOTICE FORECLOSURE AUCTION SALE

Docket No. NNH-CV13-6039256 Case Name: JPMC SPECIALTY MORTGAGE, LLC vs. TONAHJA COHEN, ET AL
PROPERTY ADDRESS 299 VALLEY STREET NEW HAVEN, CT 06515
Property Type: RESIDENTIAL
Date of Sale: JANUARY 18, 2014
Committee Name: **WILLIAM V. GAMBARDELLA Committee**
Phone Number: (203) 288-1333 X 319
See ForecLosure Sales at www.jud.ct.gov for more detailed information

194898

67

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PHONE ▸ 203-777-3278
or 1-877-872-3278
Phone hours: Mon–Fri 8am to 5pm • Sun 4pm–6pm (Closed Sat)

EMAIL ▸ classifiedads@nhregister.com
WEBSITE ▸ www.nhregister.com
FAX ▸ 203-865-8360
MAIL OR WALK IN ▸ 40 Sargent Drive New Haven, CT 06511
Located off Exit 46 of I-95 • Open for walk-ins M–F 8:30am-5pm

Please check your ad on the first day it is published to make sure it is correct. If you find an error, please report it IMMEDIATELY. Call 203-777-3278. The New Haven Register will be responsible for only ONE incorrect insertion.

APARTMENTS FOR RENT (UNFURNISHED)

NEW HAVEN
Free Heat & Hot Wtr Incl
1,2, & 3, & 4 BRS
Newly renovated units
203-773-9710

NEW HAVEN SPOILED FOR CHOICE!
Come take a look at our newly updated Apt homes throughout New Haven. Our homes range from 1,2 & 2BR Twn & huge 3BRS. Call our leasing office for current prices to view
203-387-7640

NEW HAVEN, need an apartment? I have 2,3,4,5,6 Bedroom apartments & houses avail immediately. Call for more info **IZZY 718-207-8895**

WALLINGFORD
Huge 1 & 2 BR. Newly renovated, W/W, appls., on-site laundry $795 to $950 & up. Call 203-269-5770.

NEW HAVEN, 3 BR, 2nd & 3rd flr, together + lg. attic rm. remodeled, nr. Yale. Good area, W/D hkup, $1150/mo. + Sec. & utils. Pvt. ent. 203-804-4356

RENT NOW!
NORTHFORD - 1BR, 2nd floor apt. Ample off street parking, large yard. Nice, quiet area. $800. per month plus 2 months security. 203-996-4866

WEST HAVEN
1BR: $795. Saw Mill Rd. Close to I-95 & MetroNorth. Utilities NOT incl.
(203) 668-2528

WEST HAVEN 3BR, 1st and 2nd flr, liv room, dining room, new carpet, w/d hookups. $1275. 203-641-7099

SHOP FROM your easy chair. Shopping the classifieds is easy, relaxing and you don't have to worry about parking.

APARTMENTS FOR RENT (UNFURNISHED)

WEST HAVEN
CRESTWOOD APTS
Affordable spacious newly decorated Studios, 1&2 BR s
For Specials & Availability
Call 203-932-4024
www.crestwoodrentals.com

RENT NOW!
WEST HAVEN
Fall Special 1/2 first month rent 1 BRS w/heat, HW included. $820-$850. Avail Now. For appt 203-931-7700

WEST HAVEN sunny 1BR in quiet immaculate bldg w/ elevator. W/W appliances, pool FREE HEAT/HOT WTR & COOKING GAS. $785. Other locations avail. 203-932-4707

RENT NOW!
WESTVILLE - Near end of Emerson St. Beautiful 3BR, 5 rm, 1st flr. Big,scenic backyd, gar, w/d hkup., nice area. $1050. per mo. + sec. 203-932-0686

WESTVILLE mod elevator bldg, on busline to Yale. 1 BR. available Gated community. Incl ht, hot wtr & parking. No pets. Good cred 203-931-5337

HOUSES FOR RENT (UNFURNISHED)

NORTHFORD - 3 bedroom, 1½ bath HOUSE. CA, hrdwd flrs throughout. Quiet Neighborhood. $1750/mo + utilities. 2 mo security. Call 203-996-8966

ROOMS FOR RENT

NEW HAVEN
Fully Furnished, cable TV w/HBO, busline. $225 per wk
203-389-9504

SEYMOUR
furnished room, cbl TV, prvt. ent., utils. incl. $135/wkly. Call 203-888-2624.

COMMERCIAL RENTALS

MILFORD/BRANFORD
800 sq.ft. & up. Office & Warehouse. Damato Brothers
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Human Services

Job Fair
Residential Instructors

Community Residences, Inc. is a non-profit Human Services agency that is dedicated to assisting individuals with various special needs. We are currently looking for individuals to work in our Young Adult Residential Group Home, licensed by DDS, working with individuals with severe behavioral and intellectual disabilities located in Middletown, CT.

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- Weekend differential
- High Staff to Client Ratio

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- Valid Driver's License
- Ability to lift 70-75 lbs.
- Ability to become DDS Medication Administration Certified
- Ability to complete required trainings during weekdays

Come talk with us!
See how you can make a difference in an individual's life.
Can't make it?
Apply online at:
www.criinc.org
or fax your resume to:
860-628-7606.

Hope to see you there.

INDUSTRIAL PROPERTY FOR LEASE

HELP WANTED FULL TIME

MECHANICS - Semi trailer Mechanics with welding exp. Experience a plus - will train right individual. Must have own tools and a valid CT drivers license. Apply at Atlantic Star Trailers, 405 Industrial Ave., Cheshire. 203-250-8000.

DRIVERS

Drivers Wanted!
Publishers Circulation Fulfillment Inc.
Is seeking
Delivery Service Providers (DSPs)
for newspaper home delivery routes.
DSP's are independently contracted. 7 days a week
2-3 hours daily, starting around 3AM.
$350-500/bi-weekly

Routes available in: East Haven, West Haven, Madison, Shelton, Clinton, N. Branford, Branford, Woodbridge, and Bethany

No $$ collections.
Must be 18+ yrs. old

Call: 1-800-515-8000

PCF

RESTAURANT FOOD SERVICE

Deli Help / Counter People
Great pay, overtime available. Apply in person at Napoli Deli, 982 Bridgeport Ave., Milford.

SKILLED LABOR

PLUMBER, (CT Lic'd - P1, P2) Permanent position for the right individual. Res & comm projects. Plb & heat. We offer comp wages & benefit pkg w/ vac, holiday & sick days, attendance bonus & retirement pkg. Call 203-458-6797.

Plumbers Wanted
P1, P-2 license.
Holidays, vacation, full medical & 401K. Call 203-488-1145.

CAREER TRAINING

Security Guard Card Training
$75.00 - No Hidden Cost!
1 Day Class, Same Day Cert.
Enroll Now: Tel: 203.701.9211
www.thealmgroup.com

LEGAL NOTICES

LEGAL NOTICE

A Request for Proposal (RFP) will be issued on January 17th by the Agency on Aging of South Central Connecticut for Older Americans Act Title III B, D and E funding for the fiscal year beginning October 1, 2014. All public agencies, private non-profit, municipalities, or proprietary incorporated agencies serving older adults or their caregivers within the twenty towns of south central Connecticut are invited to respond to this RFP. Visit aoascc.org for more information.

PUBLIC NOTICE

Gaylord Hospital is applying for a Certificate of Need pursuant to section 19a-638 of the general statues for the termination of its lease and closure of its Sleep Medicine site located at 37 Soundview Road, Guilford. There is no capital expenditure associated with this closing as it is a termination of the lease.

SAY HELLO to the most mobile marketplace in the area - the Insider Classifieds.

LEGAL NOTICES

Notice is hereby given that on 01/23/2014 at 1:00 PM at The Storage Depot Llc, 483 Washington Ave., in the city of North Haven, State of CT, the undersigned, The Storage Depot Llc will sell at Public Sale by competitive bidding, the personal property heretofore stored with the undersigned by:

Item Name
Joe Eastabrook
100 State St. A-40
North Haven, CT 06473
Space #211B

Description
Furniture and household items

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
Invitation to Bid For Focused Remediation of PCB-Impacted Soil at Former Hamden Middle School Hamden, CT

Sealed bid proposals for the above project will be received by the Regional Water Authority, 90 Sargent Drive in New Haven, CT 06511, until January 31, 2014 at 2:00 p.m., current local time, at which time and place they will be publicly opened and read aloud.

A copy of the bid documents may be obtained at the Purchasing Department at the office given above. A fee of $35.00 will be charged for each set of documents. Checks for bid specifications shall be made payable to the Regional Water Authority. Bid documents will be mailed for a non-refundable handling and postage charge of $5.00. Bidders who return documents in good condition within 30 days after receipt of a valid bid will receive a full refund of the fee paid.

In order to submit a bid, bidders must attend a mandatory pre-bid meeting on January 22, 2014 at 10:00 a.m. Prospective bidders will be meeting with John Hudak, Environmental Planning Manager at the former Hamden Middle School, 550 Newhall Street, Hamden, CT.

The bidder's envelope containing the bid proposal shall be marked "Invitation to Bid for Focused Remediation of PCB-Impacted Soil at Former Hamden Middle School" and sent to the attention of Peter Boccarelli, Purchasing Manager. Bid proposals must be submitted in a sealed envelope.

Bid security in the amount of five percent (5%) of bid must accompany the bid proposal.

A list of current Public Bids is also available on our Website:
www.rwater.com

The South Central Connecticut Regional Water Authority reserves the right to reject any and all bid proposals and/or waive any informalities in bidding if it be in the public interest to do so. The South Central Connecticut Regional Water Authority reserves the right to award a contract as it deems in its best interest.

South Central Connecticut Regional Water Authority
Peter Boccarelli
Purchasing Manager
Dated: January 13, 2014

PROBATE NOTICES

NOTICE TO CREDITORS
ESTATE OF:
Michael R. Gutrick

The Hon. Beverly K. Streit-Kefalas, Judge of the Court of Probate, Milford - Orange Probate District, by decree dated January 10, 2014, ordered that all claims must be presented to the fiduciary at the address below. Failure to promptly present any such claim may result in the loss of rights to recover on such claim.

Karen Adams, Asst Clerk

The fiduciary is:

Tinka Dailey, c/o Michael LaMagna, Esq., Helwig, Henderson, Ryan, LaMagna & Spinola, 1200 Summer Street, Suite 201C, Stamford, CT 06905
205016

BIDS & PROPOSALS

LEGAL NOTICE
JANUARY 10, 2014

Sealed bids are now being accepted by the Westbrook Board of Education for grounds maintenance services and snow removal services at the Daisy Ingraham School, Westbrook Middle School and Westbrook High School commencing July 1, 2014 through June 30, 2017 (a three year period).

Specifications are available on our district webpage **westbrookctschools.org** or for pick-up at the Westbrook Board of Education offices at 158 McVeagh Road, Westbrook, CT 06498. **A documented site visit will be required as part of the bid process.** To schedule your site visit or for further information, vendors should contact Ray Hayes, Facilities Director at 860-227-4154.

The Westbrook Board of Education reserves the right to reject any or all bids and to award the contract it deems to be in the best interest of Westbrook Schools.

Sealed bids, **clearly labeled "bid"**, will be received in the Business Office at 158 McVeagh Road, Westbrook, CT 06498 until **12:00 pm Friday, January 24, 2014.**

Bid opening will be held in the Business Office at 158 McVeagh Rd., Westbrook, CT 06498 at **1:00 pm Friday January 24, 2014.**
205732

CLASSIFIED IS OPEN
8:30 AM–5:30 PM
MON-FRI

Call 203-777-3278
or 1-877-872-3278

or email:
CLASSIFIEDADS@NHREGISTER.COM

Carpenters, Painters, Landscapers
Place your ad in our Business Card Section or our Service Directory. Our readers will call you! They trust our advertisers to do the job right! Give us a call today!

A HOME OF YOUR OWN
The Job of Your Dreams
A Pet for the Children
A Second Car for Commuting
A Tag Sale "Buried Treasure"
Find these and more in the New Haven Register Classifieds.

REMEMBER - when placing a classified to get fast results be sure to include:
1) all the details
2) include the price
3) be available to callers
As easy as 1 - 2 - 3!

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G. NOTICE TO PATIENT

To All Our Patients:

We are writing to inform you of an upcoming change at Gaylord Sleep Medicine-Guilford. As of (Date), Gaylord Sleep Medicine will be closing its Guilford location. We understand that you may still require sleep medicine services, and your Gaylord provider and Manager of Sleep Services will work collaboratively to ensure a smooth transition for your care. Their contact information is listed below.

Should you have any questions, would like a copy of your medical records, or if you prefer to select another sleep medicine provider, please contact us at 203-284-2756. We thank you for the opportunity to serve your health care needs.

Sincerely,

Margaret Kelley
Manager, Outpatient Medical Services and Sleep Medicine
Gaylord Farm Road
Wallingford, CT 06492

H. Agreement between Gaylord and CCMC

Agreement between Gaylord Hospital, its Sleep Medicine Division
and Connecticut Children's Medical Center

The Applicant, Gaylord Hospital, its Sleep Medicine Division and Connecticut Children's Medical Center have agreed to work collaboratively in the implementation of external communications and outreach activities to ensure that pediatric patients have access to necessary sleep medicine services. Gaylord Sleep lab in Glastonbury shall send all pediatric patients within the prior two years a written communication (See Below). It is understood between the Parties that nothing in this Agreement is intended to require nor provides payment or benefits of any kind for the referral of individuals to Connecticut Children's Medical Center.

Janine L. Epright

Janine L. Epright, CFO
Gaylord Hospital

Theresa Hendricksen

Theresa Hendricksen, EVP & COO
Connecticut Children's Medical Center

YALE-NEW HAVEN HOSPITAL

February 10, 2014

George Kyriacou
President & Chief Executive Officer
Gaylord Hospital, Inc.
Gaylord Farm Road
P.O. Box 400
Wallingford, Connecticut 06492

RE: Sleep Medicine Patient Transition

Dear George,

This letter confirms Yale-New Haven Hospital's ("YNHH") commitment to accept Gaylord Hospital's Sleep Medicine patients after Gaylord's termination of its Sleep Medicine service line.

YNHH and Gaylord Hospital's Sleep Division will work collaboratively to implement external communications and outreach activities to ensure that Gaylord patients have access to the necessary sleep medicine services. Prior to the closing of the sleep medicine asset purchase transaction contemplated between YNHH and Gaylord Hospital, Gaylord will send every adult patient seen within the last two years at its North Haven, Glastonbury, Guilford and Trumbull sites a written communication notifying them that they can continue to receive treatment from YNHH. Similarly for pediatric patients, a notification will sent that informs patients that they can be served by either YNHH or Connecticut Children's Medical Center. An example of the communication is attached to this letter.

It is understood by YNHH and Gaylord hospital that nothing in this letter is intended to require or provide payment or benefits of any kind for the referral of patients to YNHH.

Please countersign below indicating your acceptance of this plan of transition.

Sincerely,

Richard D'Aquila
President & Chief Operating Officer

Agreed upon and accepted by:
Gaylord Hospital, Inc.

George Kyriacou
President & Chief Executive Officer

Attachment: Example Patient Communication

[Gaylord Hospital Letterhead]

NOTICE TO OUR SLEEP MEDICINE PATIENTS

[DATE]

To Our Sleep Medicine Patients:

We are writing to inform you that Gaylord Hospital's Sleep Medicine Division is closing its operations. As of [DATE], Gaylord Hospital will be selling the assets of its North Haven laboratory to Yale-New Haven Hospital, and closing its Glastonbury, Trumbull and Guilford locations. We understand that you may still require sleep medicine services, and Yale-New Haven Hospital and Connecticut Children's Medical Center have agreed to work collaboratively to ensure a smooth transition for your care. You may contact their Sleep Medicine departments at [INSERT NUMBERS].

Should you have any questions, would like a copy of your medical records, or if you prefer to select another sleep medicine provider, please contact us at [INSERT NUMBER]. We thank you for the opportunity to serve your health care needs.

Sincerely,

Gaylord Hospital, Inc.

PRO/CON DEBATE
ANALYSIS AND PERSPECTIVES
JCSM
Journal of Clinical Sleep Medicine
http://dx.doi.org/10.5664/jcsm.2324

PRO: Sliding into Home: Portable Sleep Testing Is Effective for Diagnosis of Obstructive Sleep Apnea

Douglas B. Kirsch, M.D., F.A.A.S.M.
Clinical Instructor, Harvard Medical School, Regional Medical Director, Sleep HealthCenters, Brighton, MA

Whether you call it home sleep testing (HST), out of center sleep testing, portable monitoring, or something else, the debate about the use of medical devices to assess patients for obstructive sleep apnea outside the sleep laboratory setting has been ongoing for almost 20 years. In the last few years, the discussion has intensified as many United States-based insurance providers, including the government-run Center for Medicare and Medicaid Services (CMS), have approved the use of these devices for diagnosis of obstructive sleep apnea (OSA).[1] This article will briefly review the epidemic of OSA, the history of home sleep testing, and the reasons that home sleep testing is likely to play an increasingly large role in the practice of sleep medicine in the next several years.

Obstructive Sleep Apnea (OSA)

The medical community has been increasingly aware of sleep disorders over the last several years, and in particular, OSA evaluations have been occurring at an increasing rate; CMS data demonstrates that payments for polysomnography alone increased from $62 million in 2001 to $235 million in 2009.[2] These payments do not include the cost of medical consultations or the treatments for these patients. This 4-fold increase over 8 years may be explained by several factors: increasing availability for testing as sleep medicine has grown as a field (more than 2,000 centers were listed as accredited by the American Academy of Sleep Medicine in 2010),[3] the worsening epidemic of obesity in the United States (in 2010, no state had a prevalence of obesity [defined by a BMI of 30] < 20%; 12 of these states had a prevalence ≥ 30%),[4] and increasing knowledge that untreated OSA has medical and societal consequences (such as the potential to increase the risk of motor vehicle crashes, morbidity, and mortality).[5,6] Though the total amount of money used for polysomnography is small on a percentage basis when looking at the budget for CMS, it is probable that the rate of increase was particularly of concern. In the current US budget climate, many methods for reducing cost while maintaining quality were reviewed, including procedures for OSA diagnosis.

Home Sleep Testing and Auto-titrating Positive Airway Pressure (PAP) Therapy

Studying sleep objectively has generally required a laboratory, given the large amount of signals needed for a full polysomnogram (EEG, respiratory parameters, leg/chin movements, EKG, oxygen saturation), as well as the amplifiers, output methods (in recent years, computers), and technical staff. A diagnosis for OSA is typically given when a patient has an apnea-hypopnea index (AHI) ≥ 15 events/h, or an AHI ≥ 5 associated with sleep symptoms or medical disorders.[7] OSA is a relatively common disorder (data from 1993 suggests that 4% of middle-aged men and 2% of middle-aged women have the disorder[8]), and it is one of the most commonly diagnosed problems in a sleep laboratory. As well, sleep laboratories are typically localized to sites with larger populations, making testing of scattered or rural populations more difficult. Thus, portable methods have been evaluated for diagnosis of OSA.

Testing for OSA in the home only solves half of the problem. Prior to the last few years, after a diagnosis of OSA was made, an attended in-laboratory PAP titration study was also necessary to ensure the appropriate pressure was chosen for treatment. At times, both a diagnostic study and a titration study were performed in the same night as a "split-night" protocol. However, the creation, validation, and clinical use of the auto-titrating PAP device minimizes the need for an in-laboratory titration study. While there are still some lingering questions regarding the equivalence of continuous use of auto-titrating PAP therapy and standard PAP therapy, the algorithm of HST for diagnosis and auto-titrating PAP for treatment clearly allows for cost-effective patient management.

The History of Home Sleep Testing

Scarce data about home sleep testing in the early 1990s limited the use of the devices on a larger scale. A review was performed by the American Sleep Disorders Association (a precursor to the American Academy of Sleep Medicine) in 1994,[9] which suggested that home sleep testing be used only in the following situations:

1. Patients with severe symptoms or when treatment is urgent and PSG is not readily available
2. Patients unable to be studied in the laboratory
3. Follow-up study after diagnosis established by polysomnography to evaluate response to therapy

A repeated review in 1997 repeated those recommendations, suggesting that there was not enough validated data for unattended use of home sleep testing devices.[10] A Tri-Society (formed of the American Academy of Sleep Medicine, American Thoracic Society, and the American College of Chest

Physicians) Practice Parameter in 2003 stated that type 3 studies (limited channel home sleep tests) were acceptable in the *attended* setting, but that these testing methods were not recommended in unattended settings, for general screening, or for patients with comorbid conditions.[11]

An AHRQ (Agency for Healthcare Research and Quality) task force performed a technology assessment in 2007, this time with additional data from newer studies and a different viewpoint.[12] Not only did they compare baseline AHI on an in-laboratory polysomnogram to the AHI from a HST, but also they recognized that AHI data did not support that a precise AHI predicted PAP use. Thus, they evaluated outcomes of positive pressure use comparing patients who had been tested in and out of the laboratory. The major findings:

1. Type 3 home testing devices have the ability to predict AHI suggestive of OSA with high positive likelihood ratios and low negative likelihood ratios, particularly when manual scoring is employed.
2. For people with a high probability of OSA, use of laboratory-based PSG does not result in better outcomes over an ambulatory approach in terms of diagnosis and PAP titration

Studies from the last 4-5 years have examined the outcomes from home testing algorithms versus standard in-laboratory polysomnography. One of the pivotal studies used by CMS as evidence for approving HSTs was Mulgrew et al. in 2007, which demonstrated that in subjects with high pre-test probability of obstructive sleep apnea (demonstrated by oximetry and questionnaire), an ambulatory approach (portable monitoring and auto-titrating positive pressure titration) was at least equivalent to in-laboratory testing in terms of adherence of positive pressure therapy and resolution of sleep apnea symptoms after 3 months.[13] One year later, Berry et al. examined 106 Veterans Administration Medical Center (VAMC) patients with excessive daytime sleepiness and a high risk of OSA and randomized them to either portable monitoring with a 2-3 day titration via auto-titrating positive pressure therapy or in-laboratory polysomnography. Both groups were then placed on standard CPAP with no difference in adherence rates to CPAP or improvement in sleep symptoms after 6 weeks.[14] The study of Kuna et al., published in 2011, evaluated 260 VAMC patients and demonstrated that a home testing pathway was not inferior to a laboratory-based pathway for treatment of OSA. Lastly, the 2012 HomePAP study by Rosen et al., assessed 373 subjects, testing the utility of an integrated clinical pathway for obstructive sleep apnea (OSA) diagnosis and continuous positive airway pressure (CPAP) treatment using portable monitoring devices. The findings determined that there was clinical equivalence between the pathways from a standpoint of PAP adherence (in fact, PAP adherence was higher in the ambulatory group) and that a cost analysis favored the ambulatory approach.[15]

Home Sleep Testing: What Is It?

At the heart of home sleep testing is the ability to accurately make a correct diagnosis of OSA while minimizing false positives and false negatives. Most devices will rely on 3 primary signals to assess a patient's sleep-disordered breathing:

1. Airflow (nasal-oral thermistor, nasal pressure, or preferably both),
2. Respiratory effort (ideally with respiratory inductance plethysmography)
3. Oximetry (with a standard maximum signal averaging time $\leq$ 3 sec at a heart rate $\geq$ 80 beats per minute)

Additional factors on home testing devices may include cardiovascular measurements (such as pulse rate or rhythm strips), positional monitoring, and measurement of sleep time. There are several devices which use alternative metrics: venous pulsation substituting for respiratory effort (ARES device, currently under FDA review), arterial tonometry instead of nasal airflow and respiratory effort (WatchPAT), or the analysis of EKG rhythms as a surrogate for respiratory channels.

A home testing device should be validated against in-laboratory polysomnography to ensure that it functions at an adequate level. The American Academy of Sleep Medicine constructed a technology evaluation in 2011, updating their 2007 Clinical Guidelines paper.[16,17] The 2011 paper suggested that an out of center testing device should have a positive likelihood ratio (LR+) $\geq$ 5 coinciding with an in-lab- polysomnography (PSG)-generated apnea hypopnea index (AHI) $\geq$ 5, and an adequate sensitivity ($\geq$ 0.825). A review of many of the currently available devices can be found in this 2011 article.

Home sleep testing though generally effective, has some important limitations. Many portable tests underestimate OSA severity because of the differences in methods to detect obstructive events and amount of sleep. The numerator of the AHI (respiratory events) is lower for a portable test than an in-laboratory test, as subtle sleep-disordered breathing not as easily identified as it would on an in-laboratory test because of the inability to detect arousal-related events. Also, the denominator (time) is larger with portable tests because recording time is assessed rather than sleep time (EEG signal for sleep scoring is not available in many home testing devices). As well, many devices are prone to artifact and have a failure rate that ranges from 3% to 18% depending on study and device.[17]

Why Home Sleep Testing Is Here Now and Why It Might Not Be All Bad?

At this point in time, HSTs are going to play an increasing role in the practice of Sleep Medicine. That is in large part due to the changes in insurance practices around the use of HST. In the northeastern United States, particularly in Massachusetts, prior authorization programs run by utilization management companies have begun to proliferate, shunting many patients from the sleep laboratories and into home testing. Though these programs have not clearly been built exactly on the existing 2007 Practice Parameters from the AASM, it is clear that many patients who are seeking evaluations for OSA will be first evaluated in the home setting; one utilization management company's (American Imaging Management) estimate is as high as 70%.[18] Clearly, the view of these insurance companies is that money will be saved in this process as a home sleep study costs about $200-$300, whereas a sleep study may be $800 and up. Other health insurance companies, such as Aetna and United, have begun utilization management programs applying prior authorization protocols on a national level. Home sleep testing cannot be replaced back into Pandora's box.

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Though viewed with much suspicion by some sleep practitioners, HSTs may actually help the field of Sleep Medicine. Certainly, adopting this method of evaluation will result in many changes in physician habits and sleep laboratories. However, as we adjust our practice styles to the new world ahead of us, we may reach a larger number of patients when not limited to a physical location of a sleep laboratory. Patients who might be intimidated by an in-laboratory test may be more willing to consider testing in the home environment. Pre-surgical sleep testing with portable sleep monitors may become a more practical method of patient assessment. Large-deductible insurance programs are proliferating as businesses try to rein in costs, and in a struggling economy, patients may see an expensive in-laboratory test as an unnecessary expense but might view a home sleep test as a more economical option. In order to maintain the cost-effectiveness of use of home studies and promote better adherence to PAP therapy, many insurance programs are limiting testing and interpretation to qualified, high-quality providers. This system provides an opportunity for sleep specialists with comprehensive management and treatment programs to increase the number of patients directed their way.

Essential Points

1. Limited channel testing outside the sleep laboratory can appropriately diagnose OSA in patients with high pre-test probability for OSA
2. Portable monitoring appears to be a cost-efficient diagnostic measure at a time when medical costs are being closely scrutinized
3. In combination with auto-titrating PAP and with proper standards for use, testing and treatment of OSA may be done outside of the laboratory setting.

Closing

Regardless of your personal viewpoint on home testing, all sleep medicine clinicians should begin to evaluate their practices, assessing how they might integrate home sleep testing. Developing a reasonable home testing plan will likely involve several steps: becoming familiar with the HST devices and each device's pros and cons, learning how to interpret these studies carefully and appropriately, and finally, developing a business plan for your centers, which may include shrinking the size of the physical sleep laboratory. Many coaches say that preparation is the key to victory; for the field of sleep medicine to continue to be successful, we will have to organize and adapt to new circumstances.

CITATION

Kirsch DB. Pro: Sliding into home: portable sleep testing is effective for diagnosis of obstructive sleep apnea. *J Clin Sleep Med* 2013;9(1):5-7.

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2. http://oig.hhs.gov/publications/workplan/2011/FY11_WorkPlan-All.pdf (Accessed 7/1/12)
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18. http://www.npr.org/blogs/health/2012/01/16/145182935/the-sleep-apnea-business-is-booming-and-insurers-arent-happy (Accessed 8/30/12)

SUBMISSION & CORRESPONDENCE INFORMATION

Submitted for publication August, 2012
Submitted in final revised form August, 2012
Accepted for publication August, 2012
Address correspondence to: Douglas B. Kirsch, M.D., 1505 Commonwealth Ave., 5th Floor, Sleep HealthCenters, Brighton, MA 02135; Tel: (617) 783-1441; Fax: (781) 430-5851; E-mail: Doug_Kirsch@sleephealth.com

DISCLOSURE STATEMENT

Dr. Kirsch has indicated no financial conflicts of interest.

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

March 19, 2014

VIA FAX ONLY

Janine Epright
CFO
Gaylord Hospital
P.O. Box 400
Gaylord Farms Road
Wallingford, CT 06492

RE: Certificate of Need Application, Docket Number 14-31902-CON
Gaylord Hospital
Termination of Gaylord Sleep Medicine Services in Guilford, CT

Dear Ms. Epright:

On February 19, 2014, the Office of Health Care Access ("OHCA") received your initial Certificate of Need application filing on behalf of Gaylord Hospital ("Applicant") for the termination of Gaylord Sleep Medicine Services in Guilford, CT, with no associated capital expenditure.

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

1. Please provide the hours of operations for the services provided at the Guilford location.

2. Please provide the current utilization (October 1, 2013 – to the present) for sleep studies performed at the Guilford location.

3. Please report the patient/payer mix for the last two fiscal years and the current fiscal year.

4. Please address the following regarding the Applicant's Medicaid population:

    a. Provide evidence as to how the Applicant has demonstrated how this proposal will improve or maintain quality, accessibility and cost effectiveness of health care delivery in the region, including but not limited to:

        i. Provision of any change in the access to services for Medicaid recipients and indigent persons, and

        ii. The impact upon the cost effectiveness of providing access to services provided under the Medicaid program.

5. Provide the Applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to, access to services by Medicaid recipients and indigent persons.

6. If the Applicant has failed to provide or reduced access to services to Medicaid recipients or indigent persons, demonstrate how the Applicant has done this due to good cause or demonstrate that it was not solely on the basis of differences in reimbursement rates between Medicaid and other health care payers.

7. Has the Applicant considered an alternative to closing the Guilford location (e.g., reducing hours, etc.)? Please provide supporting documentation.

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 76 and reference "Docket Number: 14-31902-CON." Submit one (1) original and two (2) 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 not later than sixty days after the date that this request was transmitted. Therefore, please provide your written responses to OHCA no later than May 18, 2014, otherwise your application will be automatically considered withdrawn. If you have any questions concerning this letter, please feel free to contact me by email or at (860) 418-7035.

Sincerely,

Paolo Fiducia
Associate Health Care Analyst

* * * COMMUNICATION RESULT REPORT (MAR. 19. 2014 10:45AM) * * *

FAX HEADER:

TRANSMITTED/STORED : MAR. 19. 2014 10:44AM FILE MODE	OPTION	ADDRESS	RESULT	PAGE
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REASON FOR ERROR
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E-3) NO ANSWER
E-4) NO FACSIMILE CONNECTION

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

FAX SHEET

TO: JANINE EPRIGHT

FAX: 12037413408

AGENCY: GAYLORD HOSPITAL

FROM: PAOLO FIDUCIA

DATE: 03/19/2014 **Time:** 10:45 am

NUMBER OF PAGES: 4
(including transmittal sheet

Comments:
14-31902-
CON
Completeness
Letter

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

Gaylord Specialty Healthcare
Care beyond the ordinary.

Gaylord Specialty Healthcare

P.O. Box 400
Gaylord Farm Road
Wallingford, CT
06492
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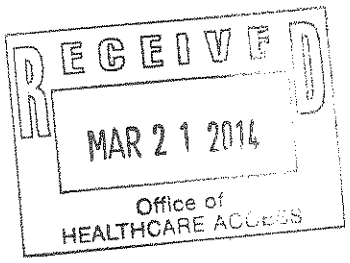
www.gayford.org

March 20, 2014



Paolo Fiducia
Health Care Analyst
State of Connecticut
Department of Public Health
Office of Health Care Access
410 Capitol Avenue
P.O. Box 340308
Hartford, CT 06134

Re: Certificate of Need Application
Docket Number 14-31902-CON
Gaylord Hospital
Termination of Gaylord Sleep Medicine Services in Guilford

Dear Mr. Fiducia:

Enclosed are the responses to your request for additional information for our Certificate of Need application, Docket Number 14-31902-CON.

Thank you for your consideration.

Sincerely,

Janine Epright

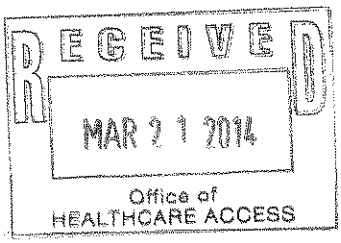
Janine Epright
CFO

GAYLORD SLEEP MEDICINE GUILFORD

RESPONSE TO ADDITIONAL QUESTIONS

DOCKET NUMBER 14-31902-CON

March 20, 2014



1. **Please provide the hours of operation for services provided at the Guilford location.**

Response

Gaylord Sleep Medicine- Guilford is a physician office only, and the hours of operation are Wednesday, 9:00 am-5:00 p.m.

2. **Please provide the current utilization (October 1, 2013-to the present) for sleep studies performed at the Guilford location.**

Response

Gaylord Sleep Medicine -Guilford is a physician practice only.

Visits, October 1, 2013-Current

GSM- Guilford	
Visits	180

3. **Please report the patient/payer mix for the last two fiscal years and the current fiscal year.**

Response

PAYOR	2011	2012	2013	YTD 2014
Medicare	35%	25%	36%	37%
Medicaid	3%	12%	9%	8%
Commercial	63%	62%	54%	55%
Other	0	1%	1%	0
TOTAL	100%	100%	100%	100%

4. **Please address the following regarding the Applicant's Medicaid population:**

a. **Provide evidence as to how the Applicant has demonstrated how this proposal will improve or maintain quality, accessibility and cost effectiveness of health care delivery in the region, including but not limited to:**

   i. **Provision of any change in the access to services for Medicaid recipients and indigent persons, and**

   ii. **The impact upon the cost effectiveness of providing access to services provided under the Medicaid program.**

Response

There will be no adverse impact on the quality and access of sleep medicine services for Medicaid recipients. Medicaid patients can continue to be referred by their physicians, and Gaylord has made arrangements with Yale-New Haven Hospital for the transition of its adult patients and with Connecticut Children's Medical Center for the transition of its pediatric patients. Both organizations have sleep medicine programs accredited by the American Academy of Sleep Medicine.

5. **Provide the Applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including but not limited to access to services by Medicaid recipients and indigent persons.**

Response

Gaylord Sleep Medicine Guilford has accepted patient referrals, including Medicaid patients, for sleep services. (See Payor Mix table). There will be no adverse impact on the Medicaid population, and the termination of services will not impact access to services for Medicaid recipients. Gaylord has made arrangements with Yale-New Haven Hospital for the transition of its adult patients and with Connecticut Children's Medical Center for the transition of its pediatric patients. (Appendix)

PAYOR	2011	2012	2013	YTD 2014
Medicare	35%	25%	36%	37%
Medicaid	3%	12%	9%	8%
Commercial	63%	62%	54%	55%
Other	0	1%	1%	0
TOTAL	100%	100%	100%	100%

6. **If the Applicant has failed to provide or reduce access to services to Medicaid recipients or indigent persons, demonstrate how the Applicant has done thus due to good cause or demonstrate that it was not solely on the basis of difference in reimbursement rates between Medicaid and other health payers.**

Response

Gaylord has provided sleep services to Medicaid recipients. (Payor Mix Table) The decision to terminate sleep medicine services at Guilford was not based in any measure on differences in reimbursement rates between Medicaid and other health payers. Changes in the practice of sleep medicine including new technology used to diagnose sleep disorders has resulted in declining in-lab volumes toward home studies. This, coupled with the need to provide high quality, cost-effective care to patients with spinal cord injuries, brain injuries, complex pulmonary diseases, and medically complex patients influenced the decision to terminate sleep services in Guilford.

There will be no adverse impact on the Medicaid population, and the termination of services will not impact access to services for Medicaid recipients. Gaylord has made arrangements with Yale-New Haven Hospital for the transition of its adult patients and with Connecticut Children's Medical Center for the transition of its pediatric patients. Additionally, there are other providers in the area that provide sleep medicine services.

PAYOR	2011	2012	2013	YTD 2014
PAYOR	2011	2012	2013	YTD 2014
Medicare	35%	25%	36%	37%
Medicaid	3%	12%	9%	8%
Commercial	63%	62%	54%	55%
Other	0	1%	1%	0

7. **Has the Applicant considered an alternative to closing the Guilford location (e.g., reducing hours, etc.)? Please provide documentation.**

Response

As part of Gaylord's strategic planning process, the decision was made to concentrate scare resources on Gaylord's core health care services which did not include sleep medicine services. Gaylord made the decision to terminate Gaylord Sleep Medicine Guilford, and did not consider alternatives to closing the Guilford location.

APPENDIX

Agreements

Connecticut Children's Medical Center Agreement

Agreement between Gaylord Hospital, its Sleep Medicine Division
and Connecticut Children's Medical Center

The Applicant, Gaylord Hospital, its Sleep Medicine Division and Connecticut Children's Medical Center have agreed to work collaboratively in the implementation of external communications and outreach activities to ensure that pediatric patients have access to necessary sleep medicine services. Gaylord Sleep lab in Glastonbury shall send all pediatric patients within the prior two years a written communication (See Below). It is understood between the Parties that nothing in this Agreement is intended to require nor provides payment or benefits of any kind for the referral of individuals to Connecticut Children's Medical Center.

Janine L. Epright, CFO
Gaylord Hospital

Theresa Hendricksen, EVP & COO
Connecticut Children's Medical Center

Yale New Haven Agreement

YALE-NEW HAVEN HOSPITAL

February 10, 2014

George Kyriacou
President & Chief Executive Officer
Gaylord Hospital, Inc.
Gaylord Farm Road
P.O. Box 400
Wallingford, Connecticut 06492

RE: Sleep Medicine Patient Transition

Dear George,

This letter confirms Yale-New Haven Hospital's ("YNHH") commitment to accept Gaylord Hospital's Sleep Medicine patients after Gaylord's termination of its Sleep Medicine service line.

YNHH and Gaylord Hospital's Sleep Division will work collaboratively to implement external communications and outreach activities to ensure that Gaylord patients have access to the necessary sleep medicine services. Prior to the closing of the sleep medicine asset purchase transaction contemplated between YNHH and Gaylord Hospital, Gaylord will send every adult patient seen within the last two years at its North Haven, Glastonbury, Guilford and Trumbull sites a written communication notifying them that they can continue to receive treatment from YNHH. Similarly for pediatric patients, a notification will sent that informs patients that they can be served by either YNHH or Connecticut Children's Medical Center. An example of the communication is attached to this letter.

It is understood by YNHH and Gaylord hospital that nothing in this letter is intended to require or provide payment or benefits of any kind for the referral of patients to YNHH.

Please countersign below indicating your acceptance of this plan of transition.

Sincerely,

Richard D'Aquila
President & Chief Operating Officer

Agreed upon and accepted by:
Gaylord Hospital, Inc.

George Kyriacou
President & Chief Executive Officer

[Gaylord Hospital Letterhead]

NOTICE TO OUR SLEEP MEDICINE PATIENTS

[DATE]

To Our Sleep Medicine Patients:

We are writing to inform you that Gaylord Hospital's Sleep Medicine Division is closing its operations. As of [DATE], Gaylord Hospital will be selling the assets of its North Haven laboratory to Yale-New Haven Hospital, and closing its Glastonbury, Trumbull and Guilford locations. We understand that you may still require sleep medicine services, and Yale-New Haven Hospital and Connecticut Children's Medical Center have agreed to work collaboratively to ensure a smooth transition for your care. You may contact their Sleep Medicine departments at [INSERT NUMBERS].

Should you have any questions, would like a copy of your medical records, or if you prefer to select another sleep medicine provider, please contact us at [INSERT NUMBER]. We thank you for the opportunity to serve your health care needs.

Sincerely,

Gaylord Hospital, Inc.

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

April 22, 2014

VIA FAX ONLY

Janine Epright
CFO
Gaylord Hospital
P.O. Box 400
Gaylord Farms Road
Wallingford, CT 06492

RE: Certificate of Need Application, Docket Number 13-31883-CON, 13-31884-CON, 13-31885-Con, and 14-31902-CON
Gaylord Hospital
Additional Questions

Dear Ms. Epright:

Please complete the following two questions for Docket Number 13-31883-CON, Docket Number 13-31884-CON, Docket Number 13-31885-CON, and Docket Number 14-31902-CON:

1.

Table 1: Gaylord Sleep Medicine's Historical and Current Services Volume

Service	FY 2011	FY 2012	FY 2013	FY 2014*
Total				

*(October 1, 2013 – April 30, 2014)

2.**Table 2: Gaylord Sleep Medicine's Historical and Current Payer Mix by volume and by %**

Description	FY 2011		FY 2012		FY 2013		FY 2014**	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare*								
Medicaid*								
CHAMPUS & TriCare								
Total Government								
Commercial Insurers								
Uninsured								
Workers Compensation								
Total Non-Government								
Total Payer Mix								

*Includes managed care activity
**(October 1, 2013 – April 30, 2014)

Please respond by May 6, 2014. If you have any questions regarding the above, please contact me at (860) 418-7035..

Sincerely,

Paolo Fiducia
Associate Health Care Analyst

* * * COMMUNICATION RESULT REPORT (APR. 22. 2014 2:39PM) * * *

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

FAX SHEET

TO: JANINE EPRIGHT

FAX: 12037413408

AGENCY: GAYLORD HOSPITAL

FROM: PAOLO FIDUCIA

DATE: 04/22/2014 **Time:** 2:45 pm

NUMBER OF PAGES: 3
(including transmittal sheet

Comments:
Additional Questions

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: Fiducia, Paolo
Sent: Wednesday, June 04, 2014 11:39 AM
To: Olejarz, Barbara
Cc: Greer, Leslie
Subject: FW: Additional Questions
Attachments: Volumes and Services for CON Request-OCHA.xlsx

FYI

From: Sitler, Michele [mailto:msitler@gaylord.org]
Sent: Tuesday, May 27, 2014 4:19 PM
To: Riggott, Kaila
Cc: Fiducia, Paolo
Subject: RE: Additional Questions

Kaila,

Attached is the information you requested this morning.
Please let me know if you need anything else.

Regards,

Michele Sitler
Executive Assistant
Gaylord Hospital
Gaylord Farm Road, Box 400
Wallingford, Connecticut 06492
203-284-2741 -Phone
203-741-3408- Fax
Msitler@gaylord.org

From: Riggott, Kaila [mailto:Kaila.Riggott@ct.gov]
Sent: Tuesday, May 27, 2014 9:56 AM
To: Sitler, Michele
Cc: Fiducia, Paolo
Subject: RE: Additional Questions

Thank you very much Michele.

From: Sitler, Michele [mailto:msitler@gaylord.org]
Sent: Tuesday, May 27, 2014 9:34 AM
To: Riggott, Kaila
Subject: RE: Additional Questions

Kaila,

I can see from the email address used below that Janine never received this email. The email address is incorrect. It was Janine.Epright@gaylord.org. I will need to see who can help with this information. I will get back to you to let you know when it will be done.

Regards,

Michele Sitler
Executive Assistant
Gaylord Hospital
Gaylord Farm Road, Box 400
Wallingford, Connecticut 06492
203-284-2741 -Phone
203-741-3408- Fax
Msitler@gaylord.org

Gaylord Specialty Healthcare
Care beyond the ordinary.

From: Riggott, Kaila [mailto:Kaila.Riggott@ct.gov]
Sent: Tuesday, May 27, 2014 9:23 AM
To: Sitler, Michele
Cc: Fiducia, Paolo
Subject: FW: Additional Questions

Here is the file that was sent to Janine on 4/22. Thanks very much for your help.

From: Fiducia, Paolo
Sent: Tuesday, April 22, 2014 2:25 PM
To: epright@gaylord.org
Cc: Riggott, Kaila; Carney, Brian
Subject: Additional Questions

Hi Janine,

Please complete the following two questions for Docket Number 13-31883-CON, Docket Number 13-31884-CON, Docket Number 13-31885-CON, and Docket Number 14-31902-CON:

1.

Table 1: Gaylord Sleep Medicine's Historical and Current Services Volume

Service	FY 2011	FY 2012	FY 2013	FY 2014*

Total				

*(October 1, 2013 – April 30, 2014)

2.**Table 2: Gaylord Sleep Medicine's Historical and Current Payer Mix by volume and by %**

Description	FY 2011		FY 2012		FY 2013		FY 2014**	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare*								
Medicaid*								
CHAMPUS & TriCare								
Total Government								
Commercial Insurers								
Uninsured								
Workers Compensation								
Total Non-Government								
Total Payer Mix								

*Includes managed care activity

**(October 1, 2013 – April 30, 2014)

Please respond by May 6, 2014. If you have any questions regarding the above please contact me.

Sincerely,

Paolo Fiducia
Associate Health Care Analyst
Office of Health Care Access
A DIVISION OF DEPARTMENT OF PUBLIC HEALTH
paolo.fiducia@po.state.ct.us
860.418.7035 Direct Line
860.418.7053 Fax

Sleep Volume Data - Guilford
FY 2011,2012,2013, FYTD 2014

Provided Services

Service	FY 2011	FY 2012	FY 2013	FY 2014
Study/Interp	72	5	-	-
Initial Eval	187	228	247	156
Follow Up	316	344	155	74
PAP NAP	-	-	-	-
CLINIC	122	153	128	40
Other	122	92	178	6
Total	819	822	708	276

Volume and Payor Mix	Volume FY 11	% FY 11	Volume FY 12	% FY 12	Volume FY 13	% FY 13	Volume FY 14	% FY 14
Medicare	260	32%	254	31%	231	33%	98	36%
Medicaid	44	5%	76	9%	45	6%	28	10%
Tricare	1	0%	2	0%	2	0%	-	0%
Total Government	305	37%	332	40%	278	39%	126	46%
Commercial	510	62%	486	59%	430	61%	149	54%
Uninsured	4	0%	4	0%	-	0%	1	0%
Worker's Comp	-	0%	-	0%	-	0%		0%
Total Non-Governement	514	63%	490	60%	430	61%	150	54%
Total All	819	100%	822	100%	708	100%	276	100%
	-		-		-		-	

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

July 11, 2014

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: 14-31902-CON
Gaylord Hospital	**Termination of Gaylord Sleep Medicine Services in Guilford**

To:

Art Tedesco
Interim Chief Executive Officer
Gaylord Hospital
P.O. Box 400
Gaylord Farms Rd.
Wallingford, CT 06492

RE: Certificate of Need Application, Docket Number 14-31902-CON
Gaylord Hospital
Termination of Gaylord Sleep Medicine Services in Guilford

Dear Mr. Tedesco:

This letter will serve as notice of the approved Certificate of Need Application in the above-referenced matter. On July 11, 2014, 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:lkg

Department of Public Health
Office of Health Care Access
Certificate of Need Application

Agreed Settlement

Applicant: **Gaylord Hospital**
Gaylord Farms Road, Wallingford, CT 06492

Docket Number: **14-31902-CON**

Project Title: **Termination of Gaylord Sleep Medicine Services in Guilford, Connecticut**

Project Description: Gaylord Hospital ("Hospital" or "Applicant") seeks authorization to terminate Gaylord Sleep Medicine Services in Guilford, Connecticut, with no associated capital expenditures.

Procedural History: The Applicant published notice of its intent to file the Certificate of Need ("CON") application in *The New Haven Register* on January 11, 12 and 13, 2014. On February 19, 2014, the Office of Health Care Access ("OHCA") received the CON application from the Applicant for the above-referenced project and deemed the application complete on March 21, 2014. OHCA received no responses from the public concerning the Applicant's proposal and no hearing requests were received from the public pursuant to Connecticut General Statutes § 19a-639a. Deputy Commissioner Davis considered the entire record in this matter.

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).

Findings of Fact and Conclusions of Law

1. The Applicant is a long-term acute-care hospital located at Gaylord Farms Road, Wallingford, Connecticut. Ex. A, p. 5

2. The Hospital provides health care services for patients requiring care for spinal cord injury, traumatic brain injury, stroke, pulmonary disease and other medically complex illnesses and sleep medicine. It includes both inpatient and outpatient care. Ex. A, p. 5

3. Gaylord Sleep Medicine Services ("Sleep Center") is located at Soundview Professional Center, 37 Soundview Road, Guilford, Connecticut. Ex. A, p. 5

4. The Sleep Center opened on February 1, 2004. Ex. A, p. 5

5. The Hospital is proposing to terminate all sleep medicine services at the Sleep Center. Ex. A, p. 5

6. The Hospital reports the following number of sleep medicine visits at the Sleep Center for FY 2013:

TABLE 1
GAYLORD SLEEP MEDICINE GUILFORD
PATIENT VISITS (FY 2013*)

Town	Visits	%	Town	Visits	%
Guilford	68	10%	New Haven	6	1%
Madison	58	8%	Deep River	5	1%
Clinton	55	8%	East Lyme	5	1%
Branford	35	5%	Haddam	5	1%
Old Lyme	26	4%	Ledyard	4	1%
Westbrook	25	4%	Milford	4	1%
Old Saybrook	21	3%	New London	4	1%
Killingworth	14	2%	Montville	3	<1%
East Haven	13	2%	Wallingford	3	<1%
North Branford	12	2%	Other CT Towns	18	3%
Essex	7	1%	Out of State	4	1%
Chester	6	1%	Unknown	301	43%
East Haddam	6	1%	**Total**	**708**	**100%**

*Gaylord Hospital fiscal year (October 1-September 30)
** There are 301 visits where the patient's town of residence was not identified. These visits were excluded from the denominator to determine percentages.
Ex. A, pp. 7-10.

7. The following table shows the existing providers of sleep medicine services in the Applicant's service area:

TABLE 2
EXISTING SLEEP LAB FACILITIES IN THE APPLICANT'S SERVICE AREA

Service	Provider Name and Location
Sleep Laboratory	Yale New Haven Hospital Guilford, CT
Sleep Laboratory	Middlesex Hospital Middletown, CT
Sleep Laboratory	Lawrence & Memorial Hospital Groton, CT

Ex. A, p. 6

8. The primary reasons for the Applicant's request to terminate sleep medicine services in Guilford are diminished in-lab patient volume, changing models of the delivery of sleep medicine services and unnecessary duplication of services in the service area. Ex. A, p. 6

9. The number of sleep medicine visits from FY 2011 to FY 2014 decreased by 42% at the Sleep Center. The Applicant's historical and current total visits have been reported as follows:

TABLE 3
SLEEP CENTER HISTORICAL AND CURRENT VISITS

	Fiscal Year			
	2011	**2012**	**2013**	**2014 (annualized)**
Sleep Medicine (full service study with physician interpretation)	72	5	-	-
Initial Evaluation with Medical Staff	187	228	247	267
Follow-up visit to review study results and plan of care	316	344	155	127
PAP Nap**	-	-	-	-
Clinic***	122	153	128	69
Other****	122	92	178	10
Total	819	822	708	473

*(October 1, 2013 – April 30, 2014)
** Day time visit of 3-4 hours to help patients learn to use marks and improve patient compliance.
*** CPAP set up; working with patients on compliance or mask issues.
****Includes in-home sleep studies and psychology visits for insomnia management.
CPAP – Continuous Positive Airway Pressure
http://my.clevelandclinic.org/neurological_institute/sleep-disorders-center/disorders-conditions/hic-sleep-apnea.aspx
PAP Nap – Positive Airway Pressure Nap
http://my.clevelandclinic.org/Documents/Neurological-Institute/sleep-disorders-center/sleep-disord-pap-flyer.pdf
Ex. F, p. 83

10. The decision to terminate the Sleep Center was based on an evaluation of how the Hospital could best serve the needs of its patients within its core business: comprehensive health services for individuals with brain or spinal cord injuries, complex pulmonary conditions or complex medical illnesses. Ex. A, p. 6

11. There is an increasing trend of delivering sleep medicine away from lab testing to home-based sleep testing ("HST"), thus reducing the need for freestanding sleep labs. Ex. A, p. 6

12. According to the Journal of Clinical Sleep Medicine, HST is likely to play an increasingly larger role in the practice of sleep medicine in the next several years, in large part due to changes in insurance practices around HST devices used in the diagnosis of obstructive sleep apnea. As prior authorization programs run by utilization management companies have begun to proliferate, many patients have been shunted from sleep laboratories into home testing. Portable, home-based testing appears to be a cost-efficient diagnostic measure at a time when medical costs are being closely scrutinized. Additionally, HST may reach a larger number of patients when not limited to a physical location of a sleep laboratory. Ex. C, pp. 73-75.

13. The Applicant will implement external communications and outreach activities to help transition patients to alternative clinical services following the termination of the Sleep Center. Ex. C, pp. 71, 72

14. The Applicant will notify patients seen within the last two years, in writing, about the availability of sleep medicine services at Yale-New Haven Hospital (adult and pediatric patients) and Connecticut Children's Medical Center (pediatric patients). The Applicant will also provide copies of medical records upon request and help patients transition to alternative providers of their choice. Ex. C, pp. 71, 72

15. The proposal has no associated capital expenditures. Ex. A, p. 10

16. The Applicant's decision to terminate services was not dependent on reimbursement levels but on declining volume and operating costs. Ex. A, p. 12

17. The Sleep Center recorded an operational loss in FY 2013 and projects continued losses in FY 2014-FY 2016 due to operating expenses in excess of revenues.

TABLE 4
APPLICANT'S LOSSES FROM OPERATIONS WITHOUT THE PROPOSAL

	FY 2013* (Actual)	FY 2014	FY 2015	FY 2016
Revenue from Operations	$60,414	$60,414	$60,414	$60,414
Total Operating Expenses	102,560	104,563	106,614	108,715
Loss from Operations	($42,146)	($44,149)	($46,200)	($48,301)

*Applicant's fiscal year (October 1-September 30).
Assumptions: If the proposal is approved, the number of FTEs will be reduced by 0.2. Other significant reductions will come from salaries, professional/contracted services depreciation/amortization, lease expenses and other operating expenses.
Ex. A, pp. 11, 21.

18. The Applicant's historical and current payer mix is as follows:

TABLE 5
APPLICANT'S HISTORICAL AND CURRENT PAYER MIX

Description	FY 2011		FY 2012		FY 2013		FY 2014*	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare	260	32%	254	31%	231	33%	98	36%
Medicaid	44	5%	76	9%	45	6%	28	10%
TriCare	1	<1%	2	<1%	2	<1%	0	0%
Total Government	**305**	**37%**	**332**	**40%**	**278**	**39%**	**126**	**46%**
Commercial Insurers*	510	62%	486	59%	430	61%	149	54%
Other	4	<1%	4	<1%	0	0%	1	<1%
Total Non-Government	**514**	**63%**	**490**	**60%**	**430**	**61%**	**150**	**54%**
Total Payer Mix	**819**	**100%**	**822**	**100%**	**708**	**100%**	**276**	**100%**

*October 1, 2013 – April 30, 2014
Ex. F, p. 83

19. 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))

20. 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))

21. The Applicant has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3))

22. The Applicant has demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))

23. The Applicant has satisfactorily demonstrated that quality and access to services in the region will be maintained for all relevant patient populations and that the proposal will reduce overall system costs by eliminating duplicative services and allowing for the greater use of a more cost-efficient diagnostic method with the potential to reach a broader population. (Conn. Gen. Stat.§ 19a-639(a)(5))

24. The Applicant has shown that there would be no adverse change to the provision of health care services to the relevant populations and payer mix, including Medicaid patients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))

25. The Applicant has satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7))

26. The declining historical utilization of sleep medicine visits in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8))

27. The Applicant has 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))

28. The Applicant has demonstrated good cause for the reduction in access to services by Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10))

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).*

Gaylord Hospital is a long-term acute-care hospital located at Gaylord Farms Road, Wallingford, Connecticut. *FF1*. The Applicant proposes to terminate all services at its Gaylord Sleep Medicine Services located at Soundview Professional Center, 37 Soundview Road, Guilford, Connecticut. *FF3, 5*

The primary reasons for the Applicant's request to terminate services at the Sleep Center are diminished in-lab patient volume, changing models of sleep medicine service delivery and duplicative sleep services in the service area. *FF8* Additionally, the Applicant is focusing its resources on its core services for complex rehabilitation and medically complex patients. *FF10* The number of sleep medicine visits from FY 2011 to FY 2014 has decreased by 42%. *FF9* The decline in volume is the result of the recent trend toward delivering sleep medicine testing in the home as opposed to lab-based testing. *FF11* According to the Journal of Clinical Sleep Medicine, HST is likely to play an increasingly larger role in the practice of sleep medicine in the next several years, in large part due to changes in insurance practices around HST devices use in the diagnosis of obstructive sleep apnea. As prior authorization programs run by utilization management companies have begun to proliferate, many patients have been shunted from sleep laboratories into home testing. Portable, home-based testing appears to be a cost-efficient diagnostic measure at a time when medical costs are being closely scrutinized. Additionally, HST may reach a larger number of patients when not limited to a physical location of a sleep laboratory. *FF12* The trend toward moving sleep medicine testing to the home evidences forward thinking in an effort to reduce the cost of providing this service, thereby strengthening the financial stability of Connecticut's health care system while maintaining access to this service for the patient population. In fact, this trend makes it easier for the patient to receive sleep medicine services by eliminating the need to travel to, and stay overnight at, the hospital.

In order to help patients transition following the closure of its program, the Hospital will implement external communications and outreach activities to ensure that patients have continued access to sleep medicine services. *FF13* All patients seen within the past two years will be notified in writing about the availability of alternative sleep medicine services including those at Yale-New Haven Hospital (adult and pediatric patients) and Connecticut Children's Medical Center (pediatric patients). The Applicant will provide copies of medical records and help patients transition to alternative providers of their choice. *FF14* Most importantly, there are three other sleep medicine service providers available to patients within the Applicant's service area. *FF7* Based upon the foregoing, the Applicant has satisfactorily demonstrated that access to sleep medicine services will be maintained and there will be no adverse impact on the quality of sleep medicine services for the relevant patient populations, including Medicaid patients.

The proposal to terminate the Sleep Center was based on an evaluation of how the Hospital could best serve the needs of its patients within its core business: comprehensive health services for individuals with brain or spinal cord injuries, complex pulmonary conditions or complex medical illnesses. *FF10* The decision to terminate services was not dependent on reimbursement levels, but rather was predicated on declining volume and program costs. *FF16* The Applicant experienced an operational loss in FY 2013 and projects that the continued operation of the Sleep Center would result in ongoing and increasing losses over the next three fiscal years. *FF17* No capital expenditures/costs will be incurred from the Sleep Center's termination of services. *FF15* The decision to focus on its core services and avoid future losses from the Sleep Center will ultimately benefit the population served by the Hospital. Therefore, the Applicant has demonstrated that its proposal is financially feasible by ultimately resulting in cost avoidance for the Hospital while providing a more focused health care delivery model for the patient.

One of the overarching goals of the Statewide Health Care Facilities and Services Plan is the use of health care facility resources in an efficient, cost-effective manner while maintaining or improving patients' access to quality health care services. This proposal will allow sleep medicine services to be provided in a more cost-effective setting and will eliminate the duplication of services in the Applicant's service area. It is also reflective of the changing model of sleep medicine service delivery that has the potential to reach a larger number of patients. Thus, the Applicant has sufficiently demonstrated a clear public need for this proposal.

Order

NOW, THEREFORE, the Department of Public Health, Office of Health Care Access ("OHCA") and Gaylord Hospital hereby stipulate and agree to the terms of settlement with respect to the termination of services of Gaylord Sleep Medicine Services at 37 Soundview Road, Guilford, Connecticut, as follows:

1. Gaylord Hospital's request to termination of service at Gaylord Sleep Medicine Services, 37 Soundview Road, Guilford, Connecticut, is **approved.**

2. Gaylord Hospital shall release a one-time notification to all current patients, and those seen within the last two years, of the Gaylord Sleep Medicine Services that clearly identifies all existing providers of sleep medicine services in the service area where patients can receive the same services. A copy of such notification shall be filed with OHCA within (10) days of the signing of this Agreed Settlement.

3. Gaylord Hospital shall assist former Gaylord Sleep Medicine Services patients in transitioning to alternative providers of their choice and provide copies of medical records upon request.

4. This Agreed Settlement is an order of OHCA with all rights and obligations attendant thereto, and OHCA may enforce this Agreed Settlement under the provisions of Conn. Gen. Stat. §§ 19a-642 and 19a-653 with all fees and costs of such enforcement being the responsibility of Gaylord Hospital.

5. OHCA and Gaylord Hospital agree that this Agreed Settlement represents a final agreement between OHCA and all parties with respect to this Application. The signing of this Agreed Settlement resolves all objections, claims and disputes that may have been raised by Gaylord Hospital with regard to Docket Number: 14-31902-CON.

6. This Agreed Settlement shall be binding upon Gaylord Hospital and its successors and assigns.

Signed by George M. Kyriacou, CEO
(Print name) (Title)

7/8/14
Date

Duly Authorized Agent for
Gaylord Hospital

The above Agreed Settlement is hereby accepted and so ordered by the Department of Public Health Office of Health Care Access on July 14, 2014.

7/11/14
Date:

Lisa A. Davis, MBA, BS, RN
Deputy Commissioner

* * * COMMUNICATION RESULT REPORT (JUL. 15. 2014 9:53AM) * * *

FAX HEADER:

TRANSMITTED/STORED : JUL. 15. 2014 9:50AM

FILE	MODE	OPTION	ADDRESS	RESULT	PAGE
468	MEMORY TX		912037413408	OK	12/12

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

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

FAX SHEET

TO: Art Tedesco

FAX: (203) 741-3408

AGENCY: Gaylord Hospital

FROM: Paolo Fiducia

DATE: 7/15/14

NUMBER OF PAGES: 12
(including transmittal sheet

Comments:
Please see the attached Agreed Settlement in the matter of 13-31902-CON: Termination of Gaylord Sleep Medicine Services in Guilford

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

Huber, Jack

From: Huber, Jack
Sent: Tuesday, September 02, 2014 5:57 PM
To: 'gkyriacou@gaylord.org'
Cc: Roberts, Karen
Subject: RE: Notices of CON Expiration Dates for the Decisions Rendered under Docket Numbers: 13-31883-CON, 13-31885-CON and 14-31902-CON
Attachments: A.S. Orders for Gaylord Hospital.pdf

Dear Mr. Kyriacou:

On July 11, 2014, in separate agreed settlements under Docket Numbers: 13-31883-CON, 13-31885-CON and 14-31902-CON, the Office of Health Care Access authorized three separate Certificate of Needs ("CONs") to Gaylord Hospital for the termination of the Hospital's sleep medicine services at 101 Merritt Boulevard in Trumbull, 676 Hebron Avenue in Glastonbury and 37 Soundview Road in Guilford, respectively. 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 authorizations issued under Docket Numbers: 13-31883-CON, 13-31885-CON and 14-31902-CON will each expire on July 11, 2016. Please contact me at (860) 418-7069 or Karen Roberts, Principal Health Analyst at (860) 418-7041, if you have any questions regarding this notification.

Additionally, please provide OHCA with a copy of the one-time notification release pursuant to the agreed-upon Stipulation Number 2 in each of the three agreed settlements. Copies of each agreed settlement order are attached for your convenience. Thank you for your assistance in this matter.

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
Office: (860) 418-7069
Fax: (860) 418-7053
Email: Jack.Huber@ct.gov

Huber, Jack

From: Huber, Jack
Sent: Monday, December 01, 2014 11:59 AM
To: John D. Blair (john@blairlawllc.com)
Cc: Roberts, Karen; Riggott, Kaila; Lazarus, Steven
Subject: RE: Gaylord Patient Notification Letters in Accordance with Stipulation Number 2 of Each Respective Agreed Settlement

Good morning John - This is to inform you that OHCA is in receipt of the patient notification letters that were distributed by Gaylord Hospital to its former sleep medicine patients. The letters were required to be filed with OHCA in accordance with agreed-upon Stipulation Number 2 of each agreed settlement, which allowed for the service termination of the Gaylord Hospital sleep medicine services located in the following communities: Trumbull, Glastonbury, North Haven and Guilford. Each patient notification letter has been reviewed in relationship with its agreed-upon Stipulation Number 2.

Please be advised that Gaylord Hospital is deemed to be compliant with the reporting requirements of the following Certificate of Need authorizations:

1. Sleep medicine service site at 101 Merritt Boulevard in Trumbull under DN: 13-31883-CON, authorized by OHCA on July 11, 2014;
2. Sleep medicine service site at 676 Hebron Avenue in Glastonbury under DN: 13-31884-CON, authorized by OHCA on September 8, 2014;
3. Sleep medicine service site at 8 Devine Street in North Haven under DN: 13-31885-CON, authorized by OHCA on July 11, 2014; and
4. Sleep medicine service site at 37 Soundview Road in Guilford under DN: 13-31902-CON, authorized by OHCA on July 11, 2014.

Thank you for your attention to these matters. With receipt of the aforementioned information, Gaylord Hospital will no longer be required to file information with OHCA regarding the Certificate of Need authorizations cited above.

Should you have any questions, please let me know. Regards, Jack

Jack A. Huber
DPH - OHCA Health Care Analyst

Huber, Jack

Docket Number: 14-31902-CON

Greater Guilford/Madison

From: Lazarus, Steven
Sent: Tuesday, November 18, 2014 3:18 PM
To: Roberts, Karen; Huber, Jack
Subject: RE: Gaylord Patient Notification Letters

Oh okay good. (Don't know why) John Blair left me a voice mail end of last week and sent the email to Kaila and Paolo back on 10/2 (again, don't know why). Perhaps Jack can call him back.

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

-----Original Message-----
From: Roberts, Karen
Sent: Tuesday, November 18, 2014 3:15 PM
To: Lazarus, Steven; Huber, Jack
Subject: RE: Gaylord Patient Notification Letters

I think Jack has been waiting for Gaylord to answer some emails - this seems to be it.

-----Original Message-----
From: Lazarus, Steven
Sent: Tuesday, November 18, 2014 3:14 PM
To: Huber, Jack
Cc: Roberts, Karen
Subject: FW: Gaylord Patient Notification Letters

Jack,

Do you know if this is Compliance related?

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

-----Original Message-----
From: Riggott, Kaila
Sent: Tuesday, November 18, 2014 3:09 PM
To: Lazarus, Steven
Subject: FW: Gaylord Patient Notification Letters

-----Original Message-----
From: John D. Blair [mailto:john@blairlawllc.com]
Sent: Thursday, October 02, 2014 12:12 PM
To: Fiducia, Paolo
Cc: Riggott, Kaila
Subject: Gaylord Patient Notification Letters

Paolo and Kaila,

Please see enclosed patient notification letters sent out by Gaylord Hospital. I believe you had asked for these per the orders.

Please confirm receipt and be sure to let me know if there is anything more you need at this time.

John

John D. Blair

Blair Law
P.O. Box 141
Rocky Hill, CT 06067

c: 860.280.4059
john@blairlawllc.com

www.blairlawllc.com <http://www.blairlawllc.com/>

On 9/30/14, 3:32 PM, "LaBarbera, Sonja" <slabarbera@gaylord.org> wrote:

>Hi John. Attached are copies of the notification letters we sent to
>sleep patients for all 4 locations. It is my understanding that OCHA
>is requesting these.
>Can you get them to the right place, please?

>Thanks!
>Sonja
>
>-----Original Message-----
>From: savin-copier@gaylord.org [mailto:savin-copier@gaylord.org]
>Sent: Tuesday, September 30, 2014 3:23 PM
>To: LaBarbera, Sonja
>Subject: Message from "RNP0026733B4C16"
>
>This E-mail was sent from "RNP0026733B4C16" (MP 5002).
>
>Scan Date: 09.30.2014 15:22:54 (-0400)
>Queries to: savin-copier@gaylord.org
>
>
>Our Mission is to preserve and enhance a person's health and function.
>
>
>

September 3, 2014

Dear Patient,

I am writing to inform you of an upcoming change at Gaylord Sleep Medicine. As of September 30, 2014, Gaylord Sleep Medicine will be closing its Guilford site.

It has been our privilege to serve the greater Guilford/Madison community for the past ten years.

We understand that you may still require sleep medicine services, and would be happy to schedule visits for you at our North Haven location.

If Gaylord Sleep Medicine North Haven site is not convenient for you, we are happy to provide a list of other area resources (attached). Your Gaylord provider will work collaboratively with your new provider to ensure a smooth transition for your care.

Should you have any questions or would like a copy of your medical records, please contact Gaylord Sleep Medicine at (203) 741-3469. We thank you for the opportunity to serve your healthcare needs.

Sincerely,

Margaret Kelley
Manager of Sleep Medicine

Gaylord Sleep Medicine
North Haven Site
8 Devine Street
North Haven, CT 06473
(203) 284-2818

Sleep Disorders Center of Connecticut
14 Business Park Drive
Branford, CT 06405
(203) 643-0620

The Lawrence and Memorial Hospital Sleep Center
Hilton Garden Inn
224 Gold Star Highway
Groton, CT 06340
(860) 444-4742

Gold Coast Pulmonary and Sleep
125 Shaw Street
New London, CT 06320
(860) 443-0305

Sleep Disorder Services at Middlesex Hospital
28 Crescent Street
Middletown, CT 06457
(860) 358-6442