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P.O. Box 1950  
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September 7, 2016

**VIA HAND DELIVERY**

Kimberly R. Martone, Director of Operations  
Department of Public Health - Office of Healthcare Access  
410 Capitol Avenue  
MS# 13HCA  
Hartford, CT 06134



**Re: The Waterbury Hospital /Prospect Medical Holdings, Inc.  
Certificate of Need Application – Harold Leever Regional Cancer Center**

Dear Ms. Martone:

I enclose for filing an original and four (4) copies of a Certificate of Need Application for a change in ownership of the Harold Leever Regional Cancer Center in Waterbury, Connecticut. Also enclosed is a disc containing the entire submission and a check for the \$500.00 filing fee.

Please feel free to contact me with any questions. Thank you for your attention to this matter.

Very truly yours,

David S. Hardy

DSH/cf  
Enc.

cc: Michele Volpe, Esq., Counsel for Prospect Medical Holdings, Inc.

{N5265617}

## Application Checklist

### Instructions:

1. Complete the following checklist and **submit** as the first page of the CON application:
  - Attached is a paginated hard copy of the CON application (all social security numbers must be redacted), including a completed affidavit, signed and notarized by the appropriate individuals.
  - (\*New\*). A completed supplemental application form specific to the proposal type, available on OHCA's website under [OHCA Forms](#) (see previous page for the list of supplemental forms).
  - Attached is the CON application filing fee in the form of a check made out to the "Treasurer State of Connecticut" in the amount of \$500.
  - 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*)
  - Attached is a completed Financial Worksheet (A, B or C) available at OHCA's website under [OHCA Forms](#).
  - Submission includes one (1) original and four (4) hard copies with each set placed in 3-ring binders.
  - 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; and
    2. An electronic copy of the completed application forms in **MS Word** (the applications) and **MS Excel** (Financial Worksheet)

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### For OHCA Use Only:

Docket No.: 1632121 CON Check No. 244646  
OHCA Verified by: K. Marton Date: 9/2/16

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**State of Connecticut  
Department of Public Health  
Office of Health Care Access**

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**Certificate of Need Application  
Main Form**  
*Required for all CON applications*

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**Contents:**

- Checklist
- List of Supplemental Forms
- General Information
- Affidavit
- Abbreviated Executive Summary
- Project Description
- Public Need and Access to Health Care
- Financial Information
- Utilization

## Supplemental Forms

In addition to completing this **Main Form** and **Financial Worksheet (A, B or C)**, the applicant(s) must complete the appropriate **Supplemental Form** listed below. All CON forms can be found on the OHCA website at [OHCA Forms](#).

Conn. Gen. Stat. Section 19a-638(a)	Supplemental Form
(1)	<b>Establishment of a new health care facility (mental health and/or substance abuse) - see note below*</b>
(2)	<b>Transfer of ownership of a health care facility</b> (excludes transfer of ownership/sale of hospital – see “Other” below)
(3)	<b>Transfer of ownership of a group practice</b>
(4)	<b>Establishment of a freestanding emergency department</b>
(5) (7) (8) (15)	<b>Termination of a service:</b> <ul style="list-style-type: none"> <li>- inpatient or outpatient services offered by a hospital</li> <li>- surgical services by an outpatient surgical facility**</li> <li>- emergency department by a short-term acute care general hospital</li> <li>- inpatient or outpatient services offered by a hospital or other facility or institution operated by the state that provides services that are eligible for reimbursement under Title XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended</li> </ul>
(6)	<b>Establishment of an outpatient surgical facility</b>
(9)	<b>Establishment of cardiac services</b>
(10) (11)	<b>Acquisition of equipment:</b> <ul style="list-style-type: none"> <li>- acquisition of computed tomography scanners, magnetic resonance imaging scanners, positron emission tomography scanners or positron emission tomography-computed tomography scanners</li> <li>- acquisition of nonhospital based linear accelerators</li> </ul>
(12)	<b>Increase in licensed bed capacity</b> of a health care facility
(13)	<b>Acquisition of equipment utilizing [new] technology</b> that has not previously been used in the state
(14)	<b>Increase of two or more operating rooms</b> within any three-year period by an outpatient surgical facility or short-term acute care general hospital
Other	<b>Transfer of Ownership / Sale of Hospital</b>

\*This supplemental form should be included with all applications requesting authorization for the establishment of a **mental health and/or substance abuse treatment facility**. For the establishment of other “health care facilities,” as defined by Conn. Gen. Stat § 19a-630(11) - hospitals licensed by DPH under chapter 386v, specialty hospitals, or a central service facility - complete *the Main Form* only.

\*\*If termination is due to insufficient patient volume, or it is a subspecialty being terminated, a CON is not required.

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## General Information

Name of Applicant:	Name of Co-Applicant:
Greater Waterbury Health Network, Inc.	Prospect Medical Holdings, Inc.

Connecticut Statute Reference: C.G.S. Section 19a-638(a)(2)
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<b>Main Site</b>	MAIN SITE	MEDICAID PROVIDER ID	TYPE OF FACILITY	MAIN SITE NAME
	Waterbury	004239712	Outpatient Clinic	The Harold Leever Regional Cancer Center, Inc.
	STREET & NUMBER			
	1075 Chase Parkway			
	TOWN			ZIP CODE
	Waterbury, CT			06708

<b>Project Site</b>	PROJECT SITE	MEDICAID PROVIDER ID	TYPE OF FACILITY	PROJECT SITE NAME
	Waterbury		Outpatient Clinic	The Harold Leever Regional Cancer Center, Inc.
	STREET & NUMBER			
	1075 Chase Parkway			
	TOWN			ZIP CODE
	Waterbury, CT			06708

<b>Operator</b>	OPERATING CERTIFICATE NUMBER	TYPE OF FACILITY	LEGAL ENTITY THAT WILL OPERATE OF THE FACILITY (or proposed operator)
			A subsidiary of Prospect Medical Holdings, Inc. (in place of the joint venture interest of The Waterbury Hospital)
	STREET & NUMBER		
	3415 South Sepulveda Boulevard, 9th Floor		
	TOWN		ZIP CODE
	Los Angeles, CA		90034

<b>Chief Executive</b>	NAME	TITLE
	Sam Lee	CEO
	STREET & NUMBER	
	3415 South Sepulveda Boulevard, 9th Floor	
	TOWN	STATE

(N5257238)

Los Angeles		CA	90034
TELEPHONE	FAX	E-MAIL ADDRESS	
(310) 943-4500	(310) 943-4504	sam.lee@prospectmedical.com	

Title of Attachment:

Is the applicant an existing facility? If yes, attach a copy of the resolution of partners, corporate directors, or LLC managers, as the case may be, authorizing the project.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Attachment 1
Does the Applicant have non-profit status? If yes, attach documentation.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Attachment 2
Identify the Applicant's ownership type.	PC <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input checked="" type="checkbox"/>	Other:
Applicant's Fiscal Year (mm/dd)	Start <u>October 1</u>	End <u>September 30</u>

**Contact:**

Identify a single person that will act as the contact between OHCA and the Applicant.

<b>Contact Information</b>	NAME		TITLE
	Darlene Stromstad		President/CEO
	STREET & NUMBER		
	64 Robbins Street		
	TOWN	STATE	ZIP CODE
	Waterbury	CT	06708
	TELEPHONE	FAX	E-MAIL ADDRESS
	203-573-7101	203-573-6161	dstromstad@wtbyhosp.org
RELATIONSHIP TO APPLICANT	President/CEO		

Identify the person primarily responsible for preparation of the application (optional):

<b>Prepared by</b>	NAME		TITLE
	STREET & NUMBER		
	TOWN	STATE	ZIP CODE
	TELEPHONE	FAX	E-MAIL ADDRESS
RELATIONSHIP TO APPLICANT			

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## Affidavit

Applicant: Greater Waterbury Health Network, Inc.

Project Title: Transfer of The Waterbury Hospital's Joint Venture Interest in The Harold Leever Regional Cancer Center, Inc. to a subsidiary of Prospect Medical Holdings, Inc. as part of proposed Asset Purchase by Prospect Medical Holdings, Inc. under OCHA Docket Number 15-32017-486.

I, Darlene Stromstad, President/CEO  
(Name) (Position – CEO or CFO)

of Greater Waterbury Health Network, Inc. being duly sworn, depose and state that the (Facility Name) said facility complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

[Handwritten Signature] 9/6/16  
Signature Date

Subscribed and sworn to before me on 9/6/16

[Handwritten Signature]  
Notary Public/Commissioner of Superior Court

My commission expires: 12/31/19

JAIMEE SEKELSKY  
Notary Public, State of Connecticut  
My Commission Expires Dec 31, 2019



# Affidavit

Applicant: Prospect Medical Holdings, Inc.

Project Title: Transfer of The Waterbury Hospital's Joint Venture Interest in The Harold Leever Regional Cancer Center, Inc. to a subsidiary of Prospect Medical Holdings, Inc. as part of proposed Asset Purchase by Prospect Medical Holdings, Inc. under OCHA Docket Number 15-32017-486.

I, Sam Lee, CEO  
(Name) (Position – CEO or CFO)

of Prospect Medical Holdings, Inc. being duly sworn, depose and state that the (Facility Name) said facility complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

\_\_\_\_\_  
Signature Date

Subscribed and sworn to before me on \_\_\_\_\_

\_\_\_\_\_  
Notary Public/Commissioner of Superior Court

My commission expires: \_\_\_\_\_

## Executive Summary

The purpose of the Executive Summary is to give the reviewer a conceptual understanding of the proposal. In the space below, provide a succinct overview of your proposal (this may be done in bullet format). Summarize the key elements of the proposed project. Details should be provided in the appropriate sections of the application that follow.

Greater Waterbury Health Network, Inc. ("GWHN") and Prospect Medical Holdings, Inc. ("Prospect") are requesting Certificate of Need ("CON") authorization for the transfer of The Waterbury Hospital's Joint Venture Interest in The Harold Leever Regional Cancer Center, Inc. ("HLRCC") to a subsidiary of Prospect as part of proposed Asset Purchase by Prospect under OCHA Docket Number 15-32017-486.

### **Key Elements of the Proposal**

GWHN and Prospect (collectively, the "Applicants") submitted to the Attorney General and the Commissioner of the Department of Public Health an application for approval of a proposed asset purchase by Prospect under OHCA Docket Number 15-32017-486. That proposed transaction involves the acquisition of substantially all of the assets of GWHN by a subsidiary of Prospect.

GWHN is the sole member of The Waterbury Hospital. The Harold Leever Regional Cancer Center, Inc. ("HLRCC") is a 50/50 joint venture between The Waterbury Hospital and Saint Mary's Hospital. Formed in October 2002, the HLRCC combined both hospitals' existing medical and radiation oncology businesses into one combined program to better meet the needs of the community. HLRCC provides state of the art cancer diagnostic and radiation services with two (2) linear accelerators and PET/CT Scanner. The community's two private medical oncology practices provide services at HLRCC. It is located at 1075 Chase Parkway, Waterbury, Connecticut. HLRCC is licensed by the Department of Public Health as an Outpatient Clinic. A copy of HLRCC's license information record is submitted herewith.

HLRCC serves patients in towns including, but not limited to, Beacon Falls, Bethlehem, Cheshire, Middlebury, Morris, Naugatuck, Oakville, Oxford, Plantsville, Plymouth, Prospect, Seymour, Southbury, Southington, Terryville, Thomaston, Torrington, Waterbury, Watertown, Wolcott, and Woodbury.

Under the proposed asset purchase under review in OHCA Docket Number 15-32017-486, The Waterbury Hospital will transfer its joint venture interest in HLRCC to a subsidiary of Prospect. The transfer of this interest in HLRCC to Prospect is an integral component of the proposed acquisition; and is therefore already subject to CON review by OHCA.

As described in the transaction under review in OHCA Docket Number 15-32017-486, no changes in services or licensure are being proposed. After the acquisition, HLRCC will continue providing the same services to residents of the same service area from the same location.

*Pursuant to Section 19a-639 of the Connecticut General Statutes, the Office of Health Care Access is required to consider specific criteria and principles when reviewing a Certificate of Need application. Text marked with a "\$" indicates it is actual text from the statute and may be helpful when responding to prompts.*

## **Project Description**

1. Provide a detailed narrative describing the proposal. Explain how the Applicant(s) determined the necessity for the proposal and discuss the benefits for each Applicant separately (if multiple Applicants). Include all key elements, including the parties involved, what the proposal will entail, the equipment/service location(s), the geographic area the proposal will serve, the implementation timeline and why the proposal is needed in the community.

### Response:

GWHN and Prospect submitted to the Attorney General and the Commissioner of the Department of Public Health an application for approval of a proposed asset purchase by Prospect under OHCA Docket Number 15-32017-486 and Attorney General Docket Number 15-486-02. That proposed transaction involves the acquisition of substantially all of the assets of GWHN by a subsidiary of Prospect for a cash payment of \$45 million and a commitment to expend no less than \$55 million on capital items and the development and improvement of services in the greater Waterbury community.

GWHN is the sole member of The Waterbury Hospital. The Harold Leever Regional Cancer Center, Inc. ("HLRCC") is a 50/50 joint venture between The Waterbury Hospital and Saint Mary's Hospital. Formed in October 2002, the HLRCC combined both hospitals' existing medical and radiation oncology businesses into one combined program to better meet the needs of the community. HLRCC provides state of the art cancer diagnostic and radiation services with two (2) linear accelerators and PET/CT Scanner. The community's two private medical oncology practices provide services at HLRCC. It is located at 1075 Chase Parkway, Waterbury, Connecticut.

HLRCC serves patients in towns including, but not limited to, Beacon Falls, Bethlehem, Cheshire, Middlebury, Morris, Naugatuck, Oakville, Oxford, Plantsville, Plymouth, Prospect, Seymour, Southbury, Southington, Terryville, Thomaston, Torrington, Waterbury, Watertown, Wolcott, and Woodbury.

There are no anticipated changes in operations or services offered by HLRCC as a result of this transaction. It is anticipated that HLRCC will continue to offer the same level of care to the same communities that have historically been served by HLRCC. HLRCC does not anticipate any changes to the patient or payer's population to be served by HLRCC or an adverse impact on the communities' access to the services provided by HLRCC.

By transferring GWHN's interest in HLRCC to Prospect, the value of the joint venture will continue to be included in the overall purchase price of GWHN. Approval of this proposal will support GWHN's attainment of the negotiated purchase price, which is in the best interest of the communities served by GWHN and its affiliated providers.

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2. Provide the history and timeline of the proposal (i.e., When did discussions begin internally or between Applicant(s)? What have the Applicant(s) accomplished so far?).

Response:

GWHN has been in the process of evaluating and pursuing affiliation options over the past several years and has maintained regular communication with its related entities, including HLRCC, through these various affiliation processes. A detailed history of GWHN's search can be found in the OHCA Docket Number 15-32017-486. Informal discussions with HLRCC concerning the potential transfer of GWHN's interest in HLRCC to Prospect began when GWHN and Prospect began their discussions concerning the larger Transaction.

3. Provide the following information:

- a. utilizing [OHCA Table 1](#), list all services to be added, terminated or modified, their physical location (street address, town and zip code), the population to be served and the existing/proposed days/hours of operation;

Response:

OHCA Table 1 has been completed to show the existing services offered by HLRCC, its physical location, the population served and the existing hours of operation.

It is anticipated that no clinical services offered by HLRCC will be added, modified or terminated as a result of the joint venture interest transfer to Prospect.

- b. identify in [OHCA Table 2](#) the service area towns and the reason for their inclusion (e.g., provider availability, increased/decreased patient demand for service, market share);

Response:

OHCA Table 2 has been completed to show the service area towns.

4. List the health care facility license(s) that will be needed to implement the proposal;

Response:

Not applicable. No additional health care facility licenses will be needed to implement the proposal.

5. Submit the following information as attachments to the application:

- a. a copy of all State of Connecticut, Department of Public Health license(s) currently held by the Applicant(s);

Response:

A copy of HLRCC's Outpatient Clinic license is submitted as Attachment 3.

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

Response:

HLRCC's affiliated providers are:

Jeffrey A. Bitterman, MD  
Douglas Housman, MD  
Joseph Ravalese, III, MD  
Joseph J. Bowen, MD  
Consuelito Medrano, MD  
Victor A. Chang, MD  
Anamika Katoch, MD  
Kert D. Sabbath, MD, FACP  
Karen Hammond, MSN, ACNP-BC, AOCNP  
Muneera Panjwani, MSN, APRN, AOCNP

- c. copies of any scholarly articles, studies or reports that support the need to establish the proposed service, along with a brief explanation regarding the relevance of the selected articles;

Response:

Not applicable. It is not anticipated that HLRCC will establish any new services as a result of the joint venture interest transfer to Prospect.

- d. letters of support for the proposal;

Response:

Not applicable. Letters of support for Prospect to acquire the assets of GWHN have been submitted under the CON application pending in OHCA Docket Number 15-32017-486 and AG Docket Number 15-486-02.

- e. the protocols or the Standard of Practice Guidelines that will be utilized in relation to the proposal. Attach copies of relevant sections and briefly describe how the Applicant proposes to meet the protocols or guidelines.

Response:

Not applicable. No change in services or service delivery is expected as a result of the joint venture interest transfer to Prospect. The transfer will in no way impact the day to day operations of HLRCC's affiliated physicians and therefore no protocols or Standard of Practice Guidelines relevant to this proposal.

- f. copies of agreements (e.g., memorandum of understanding, transfer agreement, operating agreement) related to the proposal. If a final signed version is not available, provide a draft with an estimated date by which the final agreement will be available.

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Response:

Please refer to Attachment 3 for a copy of the current proposed Asset Purchase Agreement between GWHN and Prospect. Per the terms agreed upon in the Asset Purchase Agreement, Prospect or an affiliate will purchase substantially all of the assets of GWHN, including properties, assets and businesses of, or ownership interests of, GWHN affiliates and joint ventures, including, but not limited to, The Waterbury Hospital's joint venture interest in HLRCC. GWHN and Prospect are not permitted to execute the Asset Purchase Agreement until regulatory approval has been obtained under C.G. S. §19a-486, et seq. It is anticipated that the Asset Purchase Agreement will be promptly executed following receipt of such approval.

## Public Need and Access to Care

§ "Whether the proposed project is consistent with any applicable policies and standards adopted in regulations by the Department of Public Health;" (Conn.Gen.Stat. § 19a-639(a)(1))

6. Describe how the proposed project is consistent with any applicable policies and standards in regulations adopted by the Connecticut Department of Public Health.

Response:

Connecticut General Statutes § 19a-637 states in part that OHCA "shall promote the provision of quality health care in a manner that ensures access for all state residents to cost-effective services so as to avoid duplication of health care services and improve the availability and financial stability of health care services through the state."

The proposed joint venture interest transfer to Prospect will have no impact on the services provided by HLRCC. The cost of services will not change as a result of the project and the transfer will not result in the duplication of any health care services; however, it is expected that overall healthcare costs will be reduced and quality of care enhanced through implementation of Prospect's Coordinated-Regional Care model ("CRC").

Prospect aligns its hospitals and physicians under CRC which provides for clinical integration among hospitals, physicians and other medical, social and community providers working closely with strategic partner health plans and other payers under a value-based, global risk reimbursement payment system to achieve the triple aim of improved patient care and experience, better patient health, and lower costs. This model has been highly successful in aligning physicians with Prospect hospitals and improving quality, efficiency and financial performance in California, and local versions of the model have been implemented in Texas and Rhode Island with similar success. Through Prospect's CRC model, Prospect works closely with hospitals and affiliated medical groups for the benefit of every person who comes to them for care, building comprehensive networks of quality healthcare services that are designed to offer patients highly coordinated, personalized care and help them live healthier lives. Through collaboration, Prospect strives to provide every patient with the quality, affordable healthcare they need and deserve.

The CRC model allows Prospect to respond to the rapid changes in reimbursement and care delivery by operating its hospitals efficiently, aligning physician interests with the efficient and

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effective delivery of healthcare, and offering a full continuum of non-acute services in the hospitals' service areas. The goal is to ensure that patients receive the right care, at the right time, in the right setting, while avoiding unnecessary, inefficient and duplicative services and reducing medical errors.

§ "The relationship of the proposed project to the statewide health care facilities and services plan," (Conn.Gen.Stat. § 19a-639(a)(2))

7. Describe how the proposed project aligns with the Connecticut Department of Public Health Statewide Health Care Facilities and Services Plan, available on [OHCA's website](#).

Response:

The Connecticut Department of Public Health Statewide Health Care Facilities and Services Plan is "intended to provide improved patient access to services by: providing better access to services through planned geographic distribution; enhancing primary care access and availability by identifying gaps in services and unmet need, and lowering overall cost to the health care system by limiting duplication of services."

The proposed joint venture interest transfer to Prospect will have no impact on the services provided by HLRCC's affiliated physicians, thereby maintaining the patient access the services that already exist in the service areas, and not creating any duplication of services.

§ "Whether there is a clear public need for the health care facility or services proposed by the applicant;" (Conn.Gen.Stat. § 19a-639(a)(3))

8. With respect to the proposal, provide evidence and documentation to support clear public need:
- a. identify the target patient population to be served;

Response:

The target population to be served is that currently served by HLRCC. HLRCC serves patients in the Greater Waterbury region.

- b. discuss how the target patient population is currently being served;

Response:

As an existing provider of patient services, the target population is currently being served by HLRCC. No change in services or service delivery is expected as a result of the transfer to Prospect. The transfer will in no way impact the day-to-day operations of HLRCC so the target population will continue to be served by HLRCC.

- c. document the need for the equipment and/or service in the community;

Response:

The need for the patient services provided by HLRCC is evidenced by 704 PET/CT scans and 11,118 daily patient treatment visits provided during its last fiscal year.

Post-closing, Prospect will reevaluate the healthcare needs of the community with input from the Local Board as part of its overall planning process and expects to prioritize capital projects and service improvements, including specialty-specific provider recruitment, based on any identified hospital and community needs. The goal will be to establish priorities based on maintaining or providing access to needed specialties and services that allow for the optimum care and coordination of care within and across the community. Pending the completion of this process, the existing HLRCC practices and programs will continue to provide the same services throughout the service area following the joint venture interest transfer to Prospect.

- d. explain why the location of the facility or service was chosen:

Response:

The existing location of HLRCC was determined by the patient needs of the community that it currently serves. No change in services or service delivery is anticipated as a result of the joint venture interest transfer to Prospect, and HLRCC will continue to provide its services at the same location. Post-closing, Prospect will reevaluate the healthcare needs of the community with input from the Local Board as part of its overall planning process and expects to prioritize capital projects and service improvements, including specialty-specific provider recruitment, based on any identified hospital and community needs.

- e. provide incidence, prevalence or other demographic data that demonstrates community need;

Response:

HLRCC provided 704 PET/CT scans and 11,118 daily patient treatment visits during its last fiscal year. It is anticipated that no services offered by HLRCC will be added, modified or terminated as a result of the joint venture interest transfer to Prospect.

- f. discuss how low income persons, racial and ethnic minorities, disabled persons and other underserved groups will benefit from this proposal;

Response:

The availability of HLRCC's services is a benefit to underserved groups in the Greater Waterbury area, including low income individuals, racial and ethnic minorities and disabled persons. HLRCC has treated 159 Medicaid patients receiving PET/CT scans and 123 Medicaid patients receiving radiation oncology treatments over the past three years, and



availability of HLRCC's services reduces potential financial and geographic barriers often experienced by this subset of the patient population. No changes in access for this patient population are anticipated as a result of this proposal as the joint venture interest transfer to Prospect will not impact the services delivered by HLRCC.

- g. list any changes to the clinical services offered by the Applicant(s) and explain why the change was necessary;

Response:

Not applicable. There are no anticipated changes to the clinical services offered by HLRCC as a result of this proposal.

- h. explain how access to care will be affected;

Response:

It is anticipated that access to services in the Greater Waterbury area will remain the same after the joint venture interest transfer to Prospect. The services provided and the availability of those services will not be affected by this proposal.

- i. discuss any alternative proposals that were considered.

Response:

The proposed joint venture interest transfer to Prospect is an integral component of the broader GWHN-Prospect Transaction. As such, no alternative proposals related to the transfer of the joint venture interest in HLRCC were considered. The proposed transfer is contingent upon the closing of the GWHN-Prospect Transaction and is not intended to be consummated unless and until the GWHN-Prospect Transaction is consummated.

*§ "Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region, including, but not limited to, (A) provision of or any change in the access to services for Medicaid recipients and indigent persons; (Conn.Gen.Stat. § 19a-639(a)(5))*

9. Describe how the proposal will:

- a. improve the quality of health care in the region;
- b. improve accessibility of health care in the region; and
- c. improve the cost effectiveness of health care delivery in the region.

Response:

Authorization for GWHN to cause the transfer of the joint venture interest in HLRCC to Prospect will have no impact on the operations of HLRCC or the services its affiliated physicians offer. It is anticipated that HLRCC will continue to offer the same level of care to the same communities that it has historically served. As a result, this proposal will maintain the improvements to health care quality and accessibility that were attained with HLRCC's original establishment.

10. How will this proposal help improve the coordination of patient care (explain in detail regardless of whether your answer is in the negative or affirmative)?

Response:

The collaborative care offered by HLRCC is already well established. The joint venture interest transfer to Prospect will maintain this collaborative care after Prospect's acquisition of GWHN. Prospect's experience in developing and implementing its CRC model will provide additional opportunity to improve the coordination of patient care. CRC provides for clinical integration among hospitals, physicians and other medical, social and community providers working closely with strategic partner health plans and other payers under a value-based, global risk reimbursement payment system to achieve the triple aim of patient care and experience, better patient health, and lower costs. This model has been highly successful in aligning physicians with PMH hospitals and improving quality, efficiency and financial performance in California, and local versions of the model have been implemented in Texas and Rhode Island with similar success. Through Prospect's CRC model, Prospect works closely with hospitals and affiliated medical groups for the benefit of every person who comes to them for care, building comprehensive networks of quality healthcare services that are designed to offer patients highly coordinated, personalized care and help them live healthier lives. Through collaboration, Prospect strives to provide every patient with the quality, affordable healthcare they need and deserve.

11. Describe how this proposal will impact access to care for Medicaid recipients and indigent persons.

Response:

The Applicant does not anticipate any changes to the patient or payer populations to be served

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by HLRCC or any adverse impact on access to services provided by HLRCC's affiliated physicians by Medicaid recipients or indigent persons as a result of this proposal.

12. Provide a copy of the Applicant's charity care policy and sliding fee scale applicable to the proposal.

Response:

The charity care policy and sliding fee scale applicable to the proposal are provided as Attachment 4.

*§ "Whether an applicant, who has failed to provide or reduced access to services by Medicaid recipients or indigent persons, has demonstrated good cause for doing so, which shall not be demonstrated solely on the basis of differences in reimbursement rates between Medicaid and other health care payers;" (Conn.Gen.Stat. § 19a-639(a)(10))*

13. If the proposal fails to provide or reduces access to services by Medicaid recipients or indigent persons, provide explanation of good cause for doing so.

*§ "Whether the applicant has satisfactorily demonstrated that any consolidation resulting from the proposal will not adversely affect health care costs or accessibility to care." (Conn.Gen.Stat. § 19a-639(a)(12))*

Response:

Not applicable. 282 patients receiving services from HLRCC over the past three years are Medicaid recipients. As discussed in response to Question 11 above, the Applicant does not anticipate any changes to the patient or payer populations to be served by HLRCC or any adverse impact on access to services by Medicaid recipients or indigent persons.

14. Will the proposal adversely affect patient health care costs in any way? Quantify and provide the rationale for any changes in price structure that will result from this proposal, including, but not limited to, the addition of any imposed facility fees.

Response:

It is not anticipated that the joint venture interest transfer to Prospect will affect patient health care costs.

## Financial Information

§ "Whether the applicant has satisfactorily demonstrated how the proposal will impact the financial strength of the health care system in the state or that the proposal is financially feasible for the applicant;" (Conn.Gen.Stat. § 19a-639(a)(4))

15. Describe the impact of this proposal on the financial strength of the state's health care system or demonstrate that the proposal is financially feasible for the applicant.

Response:

The joint venture interest transfer to Prospect will not impact the day to day operations of HLRCC and therefore no adverse impact on the financial strength of the state's health system is anticipated. Because the proposal does not affect the operations of HLRCC, the transfer to Prospect will have no financial impact on the Applicant and is therefore financially feasible.

16. Provide a final version of all capital expenditure/costs for the proposal using [OHCA Table 3](#).

Response:

OHCA Table 3 has been completed, however there are no specific capital expenditures associated with this proposal. The parties have not allocated a separate capital expenditure within the total price specifically for HLRCC.

17. 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:

There are no specific capital expenditures or costs associated with this proposal. As discussed in the application for the proposed GWHN-Prospect transaction (see OHCA Docket Number 15-32017-486 and AG Docket Number 15-486-02), Prospect will use cash to pay the purchase price for GWHN and the included affiliates. Details such as interest rate, term, and monthly payment amounts do not apply to either the purchase of GWHN or Prospect's acquisition The Waterbury Hospital's joint venture interest in HLRCC.

18. Include as an attachment:

- a. audited financial statements for the most recently completed fiscal year. If audited financial statements do not exist, provide other financial documentation (e.g., unaudited balance sheet, statement of operations, tax return, or other set of books). Connecticut hospitals required to submit annual audited financial statements may reference that filing, if current;
- b. completed **Financial Worksheet A (non-profit entity), B (for-profit entity) or C (§19a-486a sale)**, available on OHCA's website under [OHCA Forms](#), providing a summary

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of revenue, expense, and volume statistics, "without the CON project," "incremental to the CON project," and "with the CON project." **Note: the actual results reported in the Financial Worksheet must match the audited financial statement that was submitted or referenced.**

Response:

The last set of financial statements prepared for HLRCC has been provided as Attachment 5. Financial Worksheet A has been provided as Attachment 6.

19. Complete OHCA Table 4 utilizing the information reported in the attached Financial Worksheet.

Response:

OHCA Table 4 has been provided.

20. Explain all assumptions used in developing the financial projections reported in the Financial Worksheet.

Response:

General Assumptions

- The consummation of the proposed asset purchase of GWHN by Prospect (approved pursuant to OHCA Docket Number 15-32017-486 and AG Docket Number 15-486-02).
- All assumptions related to this application will utilize October 1, 2016 as the commencement date of the proposal.
- Revenues, patient volume statistics and full-time equivalents will remain stable following the proposed asset purchase. Expenses will increase.

21. Explain any projected incremental losses from operations resulting from the implementation of the CON proposal.

Response:

Not applicable. There is no incremental impact on revenues, expenses or volumes anticipated as a result of this proposal. It is not anticipated that joint venture interest transfer to Prospect will have an impact on the service delivery and day-to-day operations of HLRCC.

22. Indicate the minimum number of units required to show an incremental gain from operations for each projected fiscal year.

Response:

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Not applicable. As noted in response to Question 21 above, there is no incremental impact on revenues, expenses or volumes anticipated as a result of the joint venture interest transfer to Prospect. It is not anticipated that the transfer to Prospect will have an impact on the service delivery and day-to-day operations of HLRCC.

## Utilization

§ "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;"  
(Conn.Gen.Stat. § 19a-639(a)(6))

23. Complete [OHCA Table 5](#) and [OHCA Table 6](#) for the past three fiscal years ("FY"), current fiscal year ("CFY") and first three projected FYs of the proposal, for each of the Applicant's existing and/or proposed services. Report the units by service, service type or service level.

Response:

Please see [OHCA Table 5](#) and [OHCA Table 6](#) for the historic and projected utilization by service for HLRCC.

24. Provide a detailed explanation of all assumptions used in the derivation/ calculation of the projected service volume; explain any increases and/or decreases in volume reported in [OHCA Table 5](#) and [6](#).

Response:

As presented in response to Question 20 above, it is assumed that operations will remain stable and will not be impacted by the Transaction between GWHN and Prospect.

25. Provide the current and projected patient population mix (number and percentage of patients by payer) for the proposal using [OHCA Table 7](#) and provide all assumptions. **Note: payer mix should be calculated from patient volumes, not patient revenues.**

§ "Whether the applicant has satisfactorily identified the population to be served by the proposed project and satisfactorily demonstrated that the identified population has a need for the proposed services;"  
(Conn.Gen.Stat. § 19a-639(a)(7))

Response:

The current and projected patient population mix for HLRCC has been provided in [OHCA Table 7](#). The population mix observed in FY 2015 will remain constant through FY 2019 with or without the proposal.

26. Describe the population (as identified in question 8(a)) by gender, age groups or persons  
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with a specific condition or disorder and provide evidence (i.e., incidence, prevalence or other demographic data) that demonstrates a need for the proposed service or proposal. **Please note: if population estimates or other demographic data are submitted, provide only publicly available and verifiable information (e.g., U.S. Census Bureau, Department of Public Health, CT State Data Center) and document the source.**

Response:

Please refer to Question 8e above for utilization volume demonstrating the need for the services currently provided by HLRCC. It is not anticipated that any services offered by HLRCC will be added, modified or terminated as a result of transferring Waterbury Hospital's joint venture interest to Prospect.

27. Using **OHCA Table 8**, provide a breakdown of utilization by town for the most recently completed fiscal year. Utilization may be reported as number of persons, visits, scans or other unit appropriate for the information being reported.

Response:

Please see OHCA Table 8.

*§ "The utilization of existing health care facilities and health care services in the service area of the applicant;" (Conn.Gen.Stat. § 19a-639(a)(8))*

28. Using **OHCA Table 9**, identify all existing providers in the service area and, as available, list the services provided, population served, facility ID (see table footnote), address, hours/days of operation and current utilization of the facility. Include providers in the towns served or proposed to be served by the Applicant, as well as providers in towns contiguous to the service area.

Response:

Not applicable. The Applicant does not expect any impact on existing providers as a result of implementing this proposal. The joint venture interest transfer to Prospect will have no impact on the service delivery or day-to-day operations of HLRCC.

29. Describe the effect of the proposal on these existing providers.

Response:

The Applicant does not expect any impact on existing providers as a result of implementing this proposal. It is not anticipated that the joint venture interest transfer to Prospect will have an impact on the service delivery or day-to-day operations of HLRCC.

30. Describe the existing referral patterns in the area served by the proposal.

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Response:

Existing referral patterns in the area served by HLRCC and among its affiliated physicians are well established. The joint venture interest transfer to Prospect will have no impact on these referral patterns or the day-to-day operations of HLRCC.

31. Explain how current referral patterns will be affected by the proposal.

Response:

The Applicant does not expect any impact on the current referral patterns as a result of this proposal.

*§ "Whether the applicant has satisfactorily demonstrated that the proposed project shall not result in an unnecessary duplication of existing or approved health care services or facilities;" (Conn.Gen.Stat. § 19a-639(a)(9))*

32. If applicable, explain why approval of the proposal will not result in an unnecessary duplication of services.

Response:

Not applicable. Approval of the proposal will not result in unnecessary duplication of services because no services are being added.

*§ "Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region;" (Conn.Gen.Stat. § 19a-639(a)(11))*

33. Explain in detail how the proposal will impact (i.e., positive, negative or no impact) the diversity of health care providers and patient choice in the geographic region.

Response:

The proposed transfer of Waterbury Hospital's joint venture interest in HLRCC to Prospect will have no impact on the diversity of health care providers and patient choice in the geographic region. It is not anticipated that there will be changes to operations or the clinical services offered by the Applicant as a result of this proposal.



## Tables

TABLE 1  
APPLICANT'S SERVICES AND SERVICE LOCATIONS

Service	Street Address, Town	Population Served	Days/Hours of Operation	New Service or Proposed Termination
Outpatient Cancer Clinic	1075 Chase Parkway, Waterbury, CT 06708	Greater Waterbury	Monday through Friday 8:30 a.m. to 5 p.m	N/A

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**TABLE 2  
SERVICE AREA TOWNS**

List the official name of town\* and provide the reason for inclusion.

Town*	Reason for Inclusion
Barkhamsted	Existing Patient Data
Beacon Falls	Existing Patient Data
Bethany	Existing Patient Data
Bethel	Existing Patient Data
Bethlehem	Existing Patient Data
Bridgeport	Existing Patient Data
Bristol	Existing Patient Data
Burlington	Existing Patient Data
Canaan	Existing Patient Data
Cheshire	Existing Patient Data
Danbury	Existing Patient Data
Darien	Existing Patient Data
Fairfield	Existing Patient Data
Hamden	Existing Patient Data
Harwinton	Existing Patient Data
Kent	Existing Patient Data
Litchfield	Existing Patient Data
Meriden	Existing Patient Data
Middlebury	Existing Patient Data
Milford	Existing Patient Data
Morris	Existing Patient Data
Naugatuck	Existing Patient Data
New Britain	Existing Patient Data
New Milford	Existing Patient Data
Newington	Existing Patient Data
Newtown	Existing Patient Data
North Haven	Existing Patient Data
Norwalk	Existing Patient Data
Old Saybrook	Existing Patient Data
Orange	Existing Patient Data
Oxford	Existing Patient Data
Plainville	Existing Patient Data
Plymouth	Existing Patient Data
Portland	Existing Patient Data
Prospect	Existing Patient Data
Seymour	Existing Patient Data
Sharon	Existing Patient Data

Southbury	Existing Patient Data
Southington	Existing Patient Data
Stamford	Existing Patient Data
Stratford	Existing Patient Data
Thomaston	Existing Patient Data
Torrington	Existing Patient Data
Vernon	Existing Patient Data
Waterbury	Existing Patient Data
Watertown	Existing Patient Data
Westbrook	Existing Patient Data
Wolcott	Existing Patient Data
Woodbridge	Existing Patient Data
Woodbury	Existing Patient Data

\* Village or place names are not acceptable.

**TABLE 3  
TOTAL PROPOSAL CAPITAL EXPENDITURE**

<b>Purchase/Lease</b>	<b>Cost</b>
Equipment (Medical, Non-medical, Imaging)	N/A
Land/Building Purchase*	N/A
Construction/Renovation**	N/A
Other (specify)	N/A
<b>Total Capital Expenditure (TCE)</b>	<b>\$0</b>
Lease (Medical, Non-medical, Imaging)***	N/A
<b>Total Lease Cost (TLC)</b>	<b>N/A</b>
<b>Total Project Cost (TCE+TLC)</b>	<b>\$0</b>

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

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

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

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**TABLE 4  
PROJECTED INCREMENTAL REVENUES AND EXPENSES**

	<b>FY 2016*</b>	<b>FY 2017*</b>	<b>FY 2018*</b>
Revenue from Operations	\$8,077,000	\$8,151,000	\$8,151,000
Total Operating Expenses	\$10,431,000	\$8,692,000	\$8,768,000
<b>Gain/Loss from Operations</b>	<b>\$2,354,000</b>	<b>\$541,000</b>	<b>\$617,000</b>

\* Fill in years using those reported in the Financial Worksheet attached.

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**TABLE 5  
HISTORICAL UTILIZATION BY SERVICE**

Service**	Actual Volume (Last 3 Completed FYs)			CFY Volume*
	FY 2013	FY 2014	FY 2015	FY 2016
PET/CT Scan	747	785	704	787
Radiation Oncology	10,535	11,742	11,118	12,587
<b>Total</b>	11,282	12,527	11,822	13,374

- \* For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than 6 months, report actual volume and identify the period covered.
- \*\* Identify each service type and level adding lines as necessary. Provide the number of visits or discharges as appropriate for each service type and level listed.
- \*\*\* Fill in years. If the time period reported is not *identical* to the fiscal year reported in Table 4 of the application, provide the date range using the mm/dd format as a footnote to the table.

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**TABLE 6  
PROJECTED UTILIZATION BY SERVICE**

Service*	Projected Volume		
	FY 2016**	FY 2017**	FY 2018**
<b>Outpatient Cancer Clinic</b>	13,374	13,374	13,374
<b>Total</b>			

- \* Identify each service type by location and add lines as necessary. Provide the number of visits/discharges as appropriate for each service listed.
- \*\* If the first year of the proposal is only a partial year, provide the first partial year and then the first three full FYs. Add columns as necessary. If the time period reported is not *identical* to the fiscal year reported in Table 4 of the application, provide the date range using the mm/dd format as a footnote to the table.

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**TABLE 7  
 APPLICANT'S CURRENT & PROJECTED PAYER MIX**

**RADIATION ONCOLOGY**

Payer	Current		Projected					
	FY 2015**		FY 2016**		FY 2017**		FY 2018**	
	Discharges	%	Discharges	%	Discharges	%	Discharges	%
Medicare*	315	62%	315	62%	315	62%	315	62%
Medicaid*	47	9%	47	9%	47	9%	47	9%
CHAMPUS & TriCare								
<b>Total Government</b>	<b>362</b>	<b>71%</b>	<b>362</b>	<b>71%</b>	<b>362</b>	<b>71%</b>	<b>362</b>	<b>71%</b>
Commercial Insurers	144	29%	144	29%	144	29%	144	29%
Uninsured								
Workers Compensation								
<b>Total Non-Government</b>	<b>144</b>	<b>29%</b>	<b>144</b>	<b>29%</b>	<b>144</b>	<b>29%</b>	<b>144</b>	<b>29%</b>
<b>Total Payer Mix</b>	<b>506</b>	<b>100%</b>	<b>506</b>	<b>100%</b>	<b>506</b>	<b>100%</b>	<b>506</b>	<b>100%</b>

\* Includes managed care activity.

\*\* Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided. New programs may leave the "current" column blank.

**PET/CT**

Payer	Current		Projected					
	FY 2015**		FY 2016**		FY 2017**		FY 2018**	
	Discharges	%	Discharges	%	Discharges	%	Discharges	%
Medicare*	261	41%	261	41%	261	41%	261	41%
Medicaid*	59	9%	59	9%	59	9%	59	9%
CHAMPUS & TriCare								
<b>Total Government</b>	<b>320</b>	<b>50%</b>	<b>320</b>	<b>50%</b>	<b>320</b>	<b>50%</b>	<b>320</b>	<b>50%</b>
Commercial Insurers	310	50%	310	50%	310	50%	310	50%
Uninsured								
Workers Compensation								
<b>Total Non-Government</b>	<b>310</b>	<b>50%</b>	<b>310</b>	<b>50%</b>	<b>310</b>	<b>50%</b>	<b>310</b>	<b>50%</b>
<b>Total Payer Mix</b>	<b>630</b>	<b>100%</b>	<b>630</b>	<b>100%</b>	<b>630</b>	<b>100%</b>	<b>630</b>	<b>100%</b>

\* Includes managed care activity.

\*\* Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided. New programs may leave the "current" column blank.

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**TABLE 8  
UTILIZATION BY TOWN**

<b>Town</b>	<b>Utilization FY 2015**</b>
All Towns identified in Table 2	

\* List inpatient/outpatient/ED volumes separately, if applicable  
\*\* Fill in most recently completed fiscal year.

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**TABLE 9  
SERVICES AND SERVICE LOCATIONS OF EXISTING PROVIDERS**

<b>Service or Program Name</b>	<b>Population Served</b>	<b>Facility ID*</b>	<b>Facility's Provider Name, Street Address and Town</b>	<b>Hours/Days of Operation</b>	<b>Current Utilization</b>
N/A	N/A	N/A	N/A	N/A	N/A

\* Provide the Medicare, Connecticut Department of Social Services (DSS), or National Provider Identifier (NPI) facility identifier and label column with the identifier used.

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# ATTACHMENT 1

(N5250103)



**Proposed Joint Resolutions of the  
Board of Directors of Greater Waterbury Health Network, Inc.  
and the  
Board of Trustees of The Waterbury Hospital  
August 11, 2016**

Proposed joint resolutions to be adopted by the Board of Directors of Greater Waterbury Health Network, Inc. and the Board of Trustees of The Waterbury Hospital at a meeting to be held on August 11, 2016:

WHEREAS, Greater Waterbury Health Network, Inc. ("GWHN") and Prospect Medical Holdings, Inc., or an affiliate (collectively, "PMH") are contemplating a transaction under an Asset Purchase Agreement attached hereto as Exhibit A (the "Agreement") being substantially the same as that as filed with the Connecticut Office of the Attorney General and the Office of Health Care Access;

WHEREAS, the Agreement, among other things, provides for the sale of substantially all of GWHN's assets, and those of its subsidiaries, to PMH, pursuant to the terms of the Agreement (the "Transaction"). The Transaction includes the sale of substantially all of the assets of GWHN, The Waterbury Hospital (the "Hospital"), VNA Health at Home, Inc., Greater Waterbury Management Resources, Inc., Alliance Medical Group, Inc., and as well as the transfer of GWHN's interests in Cardiology Associates of Greater Waterbury, LLC, Waterbury Gastroenterology Co-Management, LLC, Valley Imaging Partners, LLC, Greater Waterbury Imaging Center, LLP, Access Rehab Centers, LLC, Imaging Partners, LLC, the Heart Center of Greater Waterbury, Inc. and the Harold Leever Regional Cancer Center, Inc.

WHEREAS, in connection with the Transaction, the respective names of GWHN and the Hospital are to be changed, amendments to certain of the employee benefit plans be made;

WHEREAS, that in furtherance of the Transaction and subject to the closing of the Transaction, and to sustain and support the mission and purpose of the Children's Center of the Greater Waterbury Hospital Network, Inc. (the "Children's Center"), the Board of Directors of GWHN deems it advisable and in the best interest of the Children's Center to transfer its membership interest in the Children's Center to Easter Seal of Greater Waterbury, Inc.;

WHEREAS, that the Board of Directors of GWHN and the Board of Trustees of the Hospital deems it to be advisable and in the best interest of GWHN and the Hospital and each of their respective subsidiaries and joint ventures, as applicable, that the assets and interests of GWHN, the Hospital and each of their respective subsidiaries and joint ventures, as set forth above, be sold to PMH pursuant to the Transaction, that certain changes and amendments be made to certain of the employee benefit plans and that certain amendments to the Certificates of Incorporation of GWHN and the Hospital be adopted.

NOW, THEREFORE, it is hereby

**Transaction Approval**

RESOLVED, that each of GWHN's and the Hospital's participation in and performance of the Transaction is authorized and approved;

RESOLVED, that the Trustees of the Hospital recommend to the Hospital's sole member that the Transaction be approved; and the Directors of GWHN recommend to GWHN's members that the Transaction be approved;

RESOLVED, that each of GWHN and the Hospital shall take all steps necessary to transfer and otherwise convey their respective assets and interests, including their respective joint venture interests, as set forth above, well as those of its subsidiaries as set forth above, and otherwise consummate the Transaction substantially in accordance with the Agreement; with such changes as the respective officers of GWHN and the Hospital may approve in each of their sole discretion, such approval to be conclusively evidenced by his or her signature thereto;

RESOLVED, that GWHN's and the Hospital's subsidiaries are authorized and directed to take all steps necessary to convey their assets substantially as set forth in the Agreement, with such changes as the respective officers of GWHN and the Hospital may approve in each of their sole discretion, such approval to be conclusively evidenced by his or her signature thereto, and to otherwise complete the Transaction;

RESOLVED, that for purposes of effectuating the Transaction, GWHN, the Hospital and each of their respective subsidiaries, enter into the Agreement in, or substantially in, the form attached hereto as Exhibit A; that the form terms and provisions of the Agreement in, or substantially in, the form attached hereto as Exhibit A, be, and they hereby are, authorized and approved in all respects;

#### **Employee Benefits**

RESOLVED, that in furtherance of the Transaction, certain changes are to be made to certain of the employee benefit plans, to effect such changes and amendments the following actions are approved and adopted:

**A. As to the Waterbury Hospital Cash Balance Retirement Plan:**

The Waterbury Hospital Cash Balance Retirement Plan ("Plan") is hereby amended effective January 1, 2017, pursuant to Section 12.1 of the Plan, as follows:

I.

Article 5 of the Plan is amended by adding a new paragraph (c) at the end of Section 5.2 as follows:

(c) In no event will a Participant's Account Balance be less than the sum of the Employer Contribution Credits allocated to such Account Balance determined as of such date pursuant to this Section 5.2.

II.

Article 12 of the Plan is amended by adding the following new Section 12.7 at the end thereof as follows:

12.7 Special Additional Rules Upon Plan Termination.

(a) Notwithstanding anything in the Plan to the contrary, Interest Credits after the Plan's termination date will be determined using the average Interest Credits under the Plan in effect during the five-year period ending on the Plan's termination date. For purposes of this subsection (a) Interest Credits actually used (taking into account, minimums, maximums, and other adjustments) during the applicable five-year period are to be used when calculating the Plan's average Interest Credits under this Section.

(b) For purposes of this Section the Plan's "average Interest Credits" means the arithmetic average over such five-year period. If the Plan's interest crediting periods were not all the same length during the applicable five-year period, then the Plan's average Interest Credits are to be weighted to reflect the length of each period during such five-year period.

(c) Notwithstanding anything in the Plan to the contrary, if a Participant's Accrued Benefit is to be converted into an Actuarially Equivalent annuity, determined pursuant to a mortality table used in conjunction with an interest rate, then such Participant's Accrued Benefit will be calculated using the Plan's applicable mortality table and interest rate specified under the Plan as of the Plan's termination date.

(d) To the extent the Plan's applicable interest rate, was not the same fixed rate for the entirety of the five-year period ending on the Plan's termination date, then the interest rate used for purposes of converting a Participant's Accrued Benefit under the Plan into an annuity, (beginning after the Plan's termination date) will equal the average of the interest rate during the five-year period ending on the Plan's termination date.

(e) If, during the entirety of the five-year period preceding the Plan's termination date, the Plan did not use a separate mortality table and a separate interest rate to convert a Participant's Accrued Benefit into an actuarially equivalent annuity, then the Plan shall be treated as having used a tabular annuity conversion factor for purposes of converting a Participant's Accrued Benefit into an actuarially equivalent annuity pursuant to Treasury Regulation Sections 1.411(b)(5)-1(e)(2)(iii)(B) and (C).

(f) The provisions of this Section shall apply separately with respect to the conversion, upon the Plan's termination date, of a Participant's Accrued Benefit to each Optional Form of Benefit included under Article 6 of the Plan.

(g) The Plan's "termination date" for purposes of this Section 2.3A means the termination date established under Section 4048 of ERISA.

III.

If there shall be any inconsistency between the provisions of this Amendment 2016-1 and the provisions of the Plan, as amended, this Amendment 2016-1 shall control."

**B. As to The Waterbury Hospital Tax Sheltered Annuity Plan (403(b), Stromstad SER Agreement and Cash Balance Plan:**

That the proper officers of the Hospital be, and they hereby are, authorized and directed to do all things necessary to terminate The Waterbury Hospital Tax Sheltered Annuity Plan (the "403(b) Plan") effective [as of the date of the closing or suitable date] and that all amounts payable to participants in the 403(b) Plan shall be distributed as soon as practicable after the termination of the 403(b) Plan; and it is further

That the proper officers of Hospital be, and they hereby are, authorized and directed to do all things necessary to terminate the Supplemental Executive Retirement Agreement by and between the Hospital and Darlene Stromstad (the "SER Agreement") effective [as of the date of the closing or suitable date] and that all amounts payable to Darlene Stromstad in the SER Agreement shall be distributed as soon as practicable after the termination of the SER Agreement; and it is further

That the proper officers of the Hospital be, and they hereby are, authorized and directed to do all things necessary to adopt Amendment No. 2016-1 to The Waterbury Hospital Cash Balance Retirement Plan, effective as of January 1, 2017 including the execution, on behalf of the Hospital, of such documents as may be necessary to make said amendment effective; and it is further

That the proper officers of the Hospital be, and they hereby are, authorized and directed to do all things necessary to approve the transfer of the sponsorship of The Waterbury Hospital Cash Balance Retirement Plan to Prospect Waterbury, Inc. on such date as such officers determine to be appropriate, including the execution, on behalf of the Hospital, of such documents as may be necessary to make said transfer effective.

That the proper officers of the Hospital be, and they hereby are, authorized and directed to take any and all actions necessary to effectuate the foregoing resolutions.

**C. As to all of the foregoing plans:**

that the officers of the Hospital be and are hereby authorized insert such dates in the above resolutions as may be appropriate to carry out the purposes of the Transaction and intentions of the Board.

**Amendment of GWHN Certificate**

RESOLVED, that in furtherance of the Transaction and subject to the closing of the Transaction, certain changes are to be made to GWHN's Certificate of Incorporation, including but not limited to the reconfiguration of the Board of Directors and retiring the membership of GWHN, all as set forth in that the Amended and Restated Certificate of Incorporation of GWHN, attached hereto as Exhibit B, and that such Amended and Restated Certificate of Incorporation be and hereby is adopted and approved in substantially the form presented to the Directors, such amendment to be filed and effective subject to the closing of the Transaction, with such changes as the officers of GWHN may approve in each of their

sole discretion, such approval to be conclusively evidenced by his or her signature thereto; and that the Board of Directors of GWHN recommends to the members of GWHN that the Amended and Restated Certificate of Incorporation of GWHN be adopted;

**Amendment of Hospital Certificate**

RESOLVED, that in furtherance of the Transaction and subject to the closing of the Transaction, certain changes are to be made to the Hospital's Certificate of Incorporation, including but not limited to the change of the name of the Hospital to "Legacy Waterbury Hospital, Inc.", effective upon and subject to the filing of a Certificate of Amendment of the Certificate of Incorporation of the Hospital and the closing of the Transaction, Section 1 of the Certificate of Incorporation of the Hospital be amended and restated by deleting such Section 1 in its entirety and replacing it with the following, with such changes as the officers of the Hospital may approve in each of their sole discretion, such approval to be conclusively evidenced by his or her signature thereto (the "Hospital Amendment"):

"SECTION 1. John C. Booth, Douglas F. Maltby, Augustus S. Chase, Calvin H. Carter, Frederick J. Brown, Frederick J. Kingsbury, James S. Elton, Elisha Leavenworth, Guernsay S. Parsons, John W. Smith, Rufus E. Hitchcock, Edward C. Lewis, George W. Beach and David S. Plume, with their associates and successors, are hereby, constituted a Corporation by the name of The Waterbury Hospital for the purpose of establishing and maintaining a hospital in the town of Waterbury, in which town said Corporation is to be located; provided, however, that from and after January 25, 1985, the sole member of the Corporation shall be the Greater Waterbury Health Network, Inc. a Connecticut nonstock corporation (as the name of such corporation may be amended from time to time), as hereinafter provided; provided, further that from and after the effective date of this Certificate of Amendment the name of the Corporation shall be Legacy Waterbury Hospital, Inc."

RESOLVED, that the Trustees of the Hospital recommend to the Board of GWHN, the sole member of the Hospital, that the Hospital Amendment be approved;

**Transfer of Children's Center of Greater Waterbury Health Network, Inc.**

RESOLVED, that in furtherance of the Transaction and subject to the closing of the Transaction, and to sustain and support the mission and purpose of the Children's Center, the transfer of GWHN's membership interest in the Children's Center, of which GWHN is the sole member, to Easter Seal Rehabilitation Center of Greater Waterbury, Inc. be and hereby is approved;

RESOLVED, that the Board of Directors of the Children's Center be, and hereby is, authorized and empowered to amend the Certificate of Incorporation and Bylaws of the Children's Center of such that each and every reference to the "Greater Waterbury Health Network, Inc." is replaced with "Easter Seal Rehabilitation Center of Greater Waterbury, Inc." and all such amendments are hereby approved;

RESOLVED, that any of the officers of GWHN, whether now or hereafter holding office, are authorized and empowered to consent to, authorize and approve one or more specific amendments to the Certificate of Incorporation and Bylaws of the Children's Center, with such additions, deletions, or modifications, and to do all such acts and things, and execute such agreements, including without limitation, a member substitution agreement, and such other documents and instruments, as such

officer in his or her sole discretion may approve, such approval to be conclusively evidenced by his or her execution thereof;

**Confirmation of Incumbency**

RESOLVED, that the following person are the duly elected officers of the GWHN and the Hospital, holding the offices set forth beside their names:

<u>Name</u>	<u>GWHN Office</u>	<u>Hospital Office</u>
Darlene Stromstad	President/Chief Executive Officer and Treasurer	President/Chief Executive Officer and Treasurer
Carl D. Contadini	Chairman	Chairman
John Kelly	Vice-Chairman	Vice-Chairman
William J. Pizzuto	Secretary	Secretary

**Omnibus Resolutions**

RESOLVED, that each of the officers of GWHN and the Hospital be, and each of them hereby is, severally authorized and empowered, in the name and on behalf of GWHN, the Hospital, and each of their respective subsidiaries, as the case may be, to (a) do and perform, or cause or authorize to be done and performed, any and all such acts, deeds and things; (b) make, execute and deliver, or cause to be made, executed and delivered, in the name and on behalf of GWHN, the Hospital and each of their respective subsidiaries, any and all such agreements, undertakings, documents, filings, (including, but not limited to, the filing of one or more Certificates of Amendment or Amendment and Restatement of the Certificates of Incorporation of GWHN and the Hospital), deeds or instruments and to make any changes or amendments to any of the foregoing documents, in the name and on behalf of GWHN, the Hospital and each of their respective subsidiaries, under its corporate seal or otherwise; and (c) seek all requisite consents and approvals under applicable laws relating to the Transaction or otherwise to be obtained by GWHN, the Hospital, and each of their respective subsidiaries, in each case as such officers or any one of them may deem necessary or appropriate to carry out the purpose and intent of the foregoing resolutions and to consummate the Transaction, the executing, delivery or performance thereof, or the taking of any such action, as the case may be, to be conclusive evidence of the authorization and approval thereof; (d) execute and deliver, in the name and on behalf of GWHN, the Hospital and each of its respective subsidiaries, including, without limitation, the Hospital, and under its corporate seal or otherwise, the Agreement in, or substantially in, the form attached hereto as Exhibit A, with such changes therein and modifications thereto as such officers, by his or her execution and delivery thereof, shall approve; (e) to pay all such expenses and to do any and all acts and things whatsoever as they shall deem necessary, proper or advisable in order to fully carry out the intent and to accomplish the purposes of the foregoing resolutions and each of them and to consummate the transactions contemplated therein; and

RESOLVED, that all actions taken and things done by the directors, trustees and officers of GWHN, the Hospital and each of their respective subsidiaries, trustees, directors and officers thereof in connection with or in contemplation of the foregoing resolutions or in connection with the Transaction, including all actions taken by any of them in good faith and in the reasonable belief that such actions

were or would be in the best interest of GWHN, the Hospital and each of their respective subsidiaries are hereby approved, ratified and confirmed as the acts and deed of GWHN, the Hospital, and each of their respective subsidiaries, as the case may be.

{N5252261;5}

HL00038

## ATTACHMENT 2

{N5250103}



INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: OCT 03 2000

THE HAROLD LEEVER REGIONAL CANCER  
CENTER INC.  
C/O MELINDA AGSTEN, ESQ.  
WIGGIN & DANA  
ONE CENTURY TOWER  
NEW HAVEN, CT 06508-1832

Employer Identification Number:  
06-1548409  
DLN:  
100264017  
Contact Person: MARIA E. FAUNDE ID# 52695  
Contact Telephone Number:  
(877) 829-5500

Accounting Period Ending:  
September 30  
Form 990 Required:  
Yes  
Addendum Applies:  
Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(iii).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware

Letter 947 (DO/CG)

HL00040

THE HAROLD LEEVER REGIONAL CANCER

of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

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

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

Letter 947 (DO/CG)

THE HAROLD LEEVER REGIONAL CANCER

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This ruling is based on the understanding that the majority of your Board of Directors will be non-salaried and will not be related to salaried personnel or to parties providing services. It is also based on the understanding that salaried individuals cannot vote on their own compensation and that compensation decisions will be made by the board.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

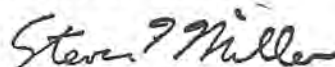
We have sent a copy of this letter to your representative as indicated in your power of attorney.

Letter 947 (DO/CG)

THE HAROLD LEEVER REGIONAL CANCER

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Steven T. Miller  
Director, Exempt Organizations

Enclosure(s):  
Addendum

Letter 947 (DO/CG)

THE HAROLD LEEVER REGIONAL CANCER

The value of time or personal services contributed to your organization by volunteers is not deductible by those volunteers as a charitable contribution for Federal income tax purposes. You should advise your volunteers to this effect.

This determination is based on the understanding that your organization will ensure that any and all office space lease agreements between you and the medical and radiation oncologists are at arms-length transactions, for the benefit of the patients and that the rental amount is for fair market value.

This determination is based on the understanding that your organization intends to treat patients without regard to their ability to pay, and will not refuse medical care to patients who cannot pay for the services. You have also obtained a commitment from the radiation oncologists currently practicing in the community to provide free care when necessary.

## ATTACHMENT 3

(N5250103)

**STATE OF CONNECTICUT**

**Department of Public Health**

**LICENSE**

**LICENSE NO. 0377**

**Outpatient Clinic**

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

The Harold Leever Regional Cancer Center, Inc. of Waterbury, CT, d/b/a Harold Leever Regional Cancer Center, Inc. is hereby licensed to maintain and operate an Outpatient Clinic.

**Harold Leever Regional Cancer Center, Inc.** The is located at 1075 Chase Parkway, Waterbury, CT 06708

This license expires **September 30, 2016** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, October 1, 2012. RENEWAL

Services:

Primary Care Services



*Jewel Mullen*

Jewel Mullen, MD, MPH, MPA  
Commissioner

## ATTACHMENT 4

(N5250103)



**2016 FEDERAL POVERTY GUIDELINES (FPG)  
ANNUAL & MONTHLY INCOME LEVELS  
FROM 100% to 250%**

FAMILY SIZE	FPG (100%)		125% of FPG		150% of FPG		175% of FPG		185% of FPG		200% of FPG		235% of FPG		250% of FPG	
	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH
1	\$11,880	\$990	\$14,850	\$1,238	\$17,820	\$1,485	\$20,790	\$1,733	\$21,978	\$1,832	\$23,760	\$1,980	\$27,918	\$2,327	\$29,700	\$2,475
2	\$16,020	\$1,335	\$20,025	\$1,669	\$24,030	\$2,003	\$28,035	\$2,336	\$29,637	\$2,470	\$32,040	\$2,670	\$37,647	\$3,137	\$40,050	\$3,338
3	\$20,160	\$1,680	\$25,200	\$2,100	\$30,240	\$2,520	\$35,280	\$2,940	\$37,296	\$3,108	\$40,320	\$3,360	\$47,376	\$3,948	\$50,400	\$4,200
4	\$24,300	\$2,025	\$30,375	\$2,531	\$36,450	\$3,038	\$42,525	\$3,544	\$44,955	\$3,746	\$48,600	\$4,050	\$57,105	\$4,759	\$60,750	\$5,063
5	\$28,440	\$2,370	\$35,550	\$2,963	\$42,660	\$3,555	\$49,770	\$4,148	\$52,614	\$4,385	\$56,880	\$4,740	\$66,834	\$5,570	\$71,100	\$5,925
6	\$32,580	\$2,715	\$40,725	\$3,394	\$48,870	\$4,073	\$57,015	\$4,751	\$60,273	\$5,023	\$65,160	\$5,430	\$76,563	\$6,380	\$81,450	\$6,788
7	\$36,730	\$3,061	\$45,913	\$3,826	\$55,095	\$4,591	\$64,278	\$5,357	\$67,951	\$5,663	\$73,460	\$6,122	\$86,316	\$7,193	\$91,825	\$7,652
8	\$40,880	\$3,408	\$51,113	\$4,259	\$61,335	\$5,111	\$71,558	\$5,963	\$75,647	\$6,304	\$81,780	\$6,815	\$96,092	\$8,008	\$102,225	\$8,519
*	\$4,160	\$347	\$5,200	\$433	\$6,240	\$520	\$7,280	\$607	\$7,696	\$641	\$8,320	\$693	\$9,776	\$815	\$10,400	\$867

\*For family units over 8, add the amount shown for each additional member.

**Notes:**

Federal Poverty Guidelines: 2016 Federal Poverty Guidelines (FPG) annual income levels are published in the Federal Register of January 25, 2016, Volume 81, Number 15, on pages 4036-4037.

Percentage Calculations: Annual income levels provided above for 125%-250% of FPG are derived by multiplying the FPG annual income for each family size by the appropriate percentage and rounding to the nearest whole dollar. Monthly income levels for FPG and 125%-250% of FPG are derived by dividing each annual income level by 12 and rounding to the nearest whole dollar.

Calculated and prepared by Healthcare Facility Regulation Division/Office of Health Planning, Georgia Department of Community Health, January 26, 2016.

**GEORGIA DEPARTMENT OF COMMUNITY HEALTH  
OFFICE OF HEALTH PLANNING  
INDIGENT INCOME LEVELS FOR 2016**

**ANNUAL & MONTHLY INCOME LEVELS FOR  
FAMILIES AND INDIVIDUALS AT 125% OF  
2016 FEDERAL POVERTY GUIDELINES**

FAMILY SIZE	2016 INCOME LEVEL FOR 125% FPG	
	ANNUAL	MONTHLY
1	\$14,850 per year	\$1,238 per month
2	\$20,025 per year	\$1,669 per month
3	\$25,200 per year	\$2,100 per month
4	\$30,375 per year	\$2,531 per month
5	\$35,550 per year	\$2,963 per month
6	\$40,725 per year	\$3,394 per month
7	\$45,913 per year	\$3,826 per month
8	\$51,113 per year	\$4,259 per month

For family units over 8, add \$5200 per year or \$433 per month for each additional member.

**Notes:**

Federal Poverty Guidelines: "2016 Poverty Guidelines for the 48 Contiguous States and the District of Columbia" as published in the Federal Register of January 25, 2016, Volume 81, Number 15, on pages 4036 - 4037.

125% FPG Calculation: The annual income levels at 125% FPG provided above are derived by multiplying the federal poverty guidelines annual income for each family size by 1.25 (125%) and rounding to the nearest whole dollar. These annual figures are then divided by 12 and rounded to the nearest whole dollar to derive the monthly income levels.

DCH Indigent Income Level: The Georgia Department of Community Health's Office of Health Planning defines an indigent patient as being a patient who is income tested and found to be at or below 125% of the FPG.

Calculated and prepared by Healthcare Facility Regulation Division/Office of Health Planning, Georgia Department of Community Health, January 26, 2016.

are working to improve language accessibility within their states; and

- Recommendations for state-specific capacity building for the 20 states intended to enhance statewide language access, which will include the development of language access plans.

An objective review of was conducted that assessed the grantee's application using criteria related to the project's approach, the organization's capacity, and the development of costs for the project's budget.

**Statutory Authority:** Section 310 of the Family Violence Prevention and Services Act, as amended by Section 201 of the CAPTA Reauthorization Act of 2010, Pub. L. 111-320.

**Christopher Beach,**  
Senior Grants Policy Specialist, Division of Grants Policy, Office of Administration.  
[FR Doc. 2016-01329 Filed 1-22-16; 8:45 am]  
BILLING CODE 4164-32-P

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Office of the Secretary**

**Annual Update of the HHS Poverty Guidelines**

**AGENCY:** Department of Health and Human Services.  
**ACTION:** Notice.

**SUMMARY:** This notice provides an update of the Department of Health and Human Services (HHS) poverty guidelines to account for last calendar year's increase in prices as measured by the Consumer Price Index.

**DATES:** *Effective Date:* January 25, 2016, unless an office administering a program using the guidelines specifies a different effective date for that particular program.

**ADDRESSES:** Office of the Assistant Secretary for Planning and Evaluation, Room 404E, Humphrey Building, Department of Health and Human Services, Washington, DC 20201.

**FOR FURTHER INFORMATION CONTACT:** For information about how the guidelines are used or how income is defined in a particular program, contact the Federal, state, or local office that is responsible for that program. For information about poverty figures for immigration forms, the Hill-Burton Uncompensated Services Program, and the number of people in poverty, use the specific telephone numbers and addresses given below.

For general questions about the poverty guidelines themselves, contact Kendall Swenson, Office of the Assistant Secretary for Planning and

Evaluation, Room 422F.5, Humphrey Building, Department of Health and Human Services, Washington, DC 20201—telephone: (202) 690-7507—or visit <http://aspe.hhs.gov/poverty/>.

For information about the percentage multiple of the poverty guidelines to be used on immigration forms such as USCIS Form I-864, Affidavit of Support, contact U.S. Citizenship and Immigration Services at 1-800-375-5283.

For information about the Hill-Burton Uncompensated Services Program (free or reduced-fee health care services at certain hospitals and other facilities for persons meeting eligibility criteria involving the poverty guidelines), contact the Health Resources and Services Administration Information Center at 1-800-275-4772. You also may visit <http://www.hrsa.gov/gethealthcare/affordable/hillburton/>.

For information about the number of people in poverty, visit the Poverty section of the Census Bureau's Web site at <http://www.census.gov/hhes/www/poverty/poverty.html> or contact the Census Bureau's Customer Service Center at 1-800-923-8282 (toll-free) and <https://ask.census.gov> for further information.

**SUPPLEMENTARY INFORMATION:**

**Background**

Section 673(2) of the Omnibus Budget Reconciliation Act (OBRA) of 1981 (42 U.S.C. 9902(2)) requires the Secretary of the Department of Health and Human Services to update the poverty guidelines at least annually, adjusting them on the basis of the Consumer Price Index for All Urban Consumers (CPI-U). The poverty guidelines are used as an eligibility criterion by the Community Services Block Grant program and a number of other Federal programs. The poverty guidelines issued here are a simplified version of the poverty thresholds that the Census Bureau uses to prepare its estimates of the number of individuals and families in poverty.

As required by law, this update is accomplished by increasing the latest published Census Bureau poverty thresholds by the relevant percentage change in the Consumer Price Index for All Urban Consumers (CPI-U). The guidelines in this 2016 notice reflect the 0.1 percent price increase between calendar years 2014 and 2015. After this inflation adjustment, the guidelines are rounded and adjusted to standardize the differences between family sizes. In rare circumstances, the rounding and standardizing adjustments in the formula result in small decreases in the poverty guidelines for some household

sizes even when the inflation factor is not negative. In order to prevent a reduction in the guidelines in these rare circumstances, a minor adjustment was implemented to the formula beginning this year. In cases where the year-to-year change in inflation is not negative and the rounding and standardizing adjustments in the formula result in reductions to the guidelines from the previous year for some household sizes, the guidelines for the affected household sizes are fixed at the prior year's guidelines. As in prior years, these 2016 guidelines are roughly equal to the poverty thresholds for calendar year 2015 which the Census Bureau expects to publish in final form in September 2016.

The poverty guidelines continue to be derived from the Census Bureau's current official poverty thresholds; they are not derived from the Census Bureau's new Supplemental Poverty Measure (SPM).

The following guideline figures represent annual income.

**2016 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA**

Persons in family/household	Poverty guideline
1	\$11,860
2	16,020
3	20,160
4	24,300
5	28,440
6	32,580
7	36,730
8	40,890

For families/households with more than 8 persons, add \$4,160 for each additional person.

**2016 POVERTY GUIDELINES FOR ALASKA**

Persons in family/household	Poverty guideline
1	\$14,840
2	20,020
3	25,200
4	30,380
5	35,560
6	40,740
7	45,920
8	51,120

For families/households with more than 8 persons, add \$5,200 for each additional person.

## 2016 POVERTY GUIDELINES FOR HAWAII

Persons in family/household	Poverty guideline
1	\$13,670
2	18,430
3	23,190
4	27,950
5	32,710
6	37,470
7	42,230
8	47,010

For families/households with more than 8 persons, add \$4,780 for each additional person.

Separate poverty guideline figures for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966–1970 period. (Note that the Census Bureau poverty thresholds—the version of the poverty measure used for statistical purposes—have never had separate figures for Alaska and Hawaii.) The poverty guidelines are not defined for Puerto Rico or other outlying jurisdictions. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office that administers the program is generally responsible for deciding whether to use the contiguous-states-and-DC guidelines for those jurisdictions or to follow some other procedure.

Due to confusing legislative language dating back to 1972, the poverty guidelines sometimes have been mistakenly referred to as the “OMB” (Office of Management and Budget) poverty guidelines or poverty line. In fact, OMB has never issued the guidelines; the guidelines are issued each year by the Department of Health and Human Services. The poverty guidelines may be formally referenced as “the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).”

Some federal programs use a percentage multiple of the guidelines (for example, 125 percent or 185 percent of the guidelines), as noted in relevant authorizing legislation or program regulations. Non-Federal organizations that use the poverty guidelines under their own authority in non-Federally-funded activities also may choose to use a percentage multiple of the guidelines.

The poverty guidelines do not make a distinction between farm and non-farm families, or between aged and non-aged units. (Only the Census Bureau poverty thresholds have separate figures for aged

and non-aged one-person and two-person units.)

Note that this notice does not provide definitions of such terms as “income” or “family,” because there is considerable variation in defining these terms among the different programs that use the guidelines. These variations are traceable to the different laws and regulations that govern the various programs. This means that questions such as “Is income counted before or after taxes?”, “Should a particular type of income be counted?”, and “Should a particular person be counted as a member of the family/household?” are actually questions about how a specific program applies the poverty guidelines. All such questions about how a specific program applies the guidelines should be directed to the entity that administers or funds the program, since that entity has the responsibility for defining such terms as “income” or “family,” to the extent that these terms are not already defined for the program in legislation or regulations.

Dated: January 21, 2016.

Sylvia M. Burwell,

Secretary of Health and Human Services.

IFR Doc. 2016–01450 Filed 1–22–16; 8:45 am)

BILLING CODE 4150–05–P

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

## National Institutes of Health

## National Institute of Allergy and Infectious Diseases; Notice of Closed Meetings

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended (5 U.S.C. App.), notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

*Name of Committee:* Microbiology, Infectious Diseases and AIDS Initial Review Group; Microbiology and Infectious Diseases Research Committee.

*Date:* February 18–19, 2016.

*Time:* 8:00 a.m. to 5:00 p.m.

*Agenda:* To review and evaluate grant applications

*Place:* The Ritz-Carlton Hotel, Plaza II, 1150 22nd Street NW., Washington, DC 20037.

*Contact Person:* Frank S. De Silva, Ph.D., Scientific Review Officer, Scientific Review Program, Division of Extramural Activities, Room #3E72A, National Institutes of Health/NIAMD, 5601 Fishers Lane, MSC 9834, Bethesda, MD 20892-9334, (240) 669-5023, [fdesilva@niaid.nih.gov](mailto:fdesilva@niaid.nih.gov).

*Name of Committee:* National Institute of Allergy and Infectious Diseases Special Emphasis Panel: “Comprehensive Resources for HIV Microbicides and Biomedical Prevention (N01)”.

*Date:* February 18, 2016.

*Time:* 10:30 a.m. to 5:00 p.m.

*Agenda:* To review and evaluate contract proposals.

*Place:* National Institutes of Health Room 3F100, 5601 Fishers Lane, Rockville, MD 20892 (Telephone Conference Call).

*Contact Person:* Jay R. Radke, Ph.D., AIDS Review Branch, Scientific Review Program, Division of Extramural Activities, Room #3G11B, National Institutes of Health, NIAMD, 5601 Fishers Lane, MSC-9823, Bethesda, MD 20892-9823, (240) 669-5046, [jay.radke@nih.gov](mailto:jay.radke@nih.gov).

(Catalogue of Federal Domestic Assistance Program Nos. 93.855, Allergy, Immunology, and Transplantation Research; 93.856, Microbiology and Infectious Diseases Research, National Institutes of Health, HHS)

Dated: January 19, 2016.

Natasha M. Copeland,

Program Analyst, Office of Federal Advisory Committee Policy.

IFR Doc. 2016–01313 Filed 1–22–16; 8:45 am)

BILLING CODE 4140–01–P

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

## National Institutes of Health

## Submission for OMB Review; 30-Day Comment Request; Media-Smart Youth Leaders Program

**SUMMARY:** Under the provisions of section 3507(a)(1)(D) of the Paperwork Reduction Act of 1995, the *Bunice Kennedy Shriver* National Institute of Child Health and Human Development, National Institutes of Health (NIH) has submitted to the Office of Management and Budget (OMB) a request for review and approval of the information collection listed below. This proposed information collection was previously published in the Federal Register on October 16, 2015, pages 62541–62542, and allowed 60 days for public comment. One public comment was received. The purpose of this notice is to allow an additional 30 days for public comment. The *Bunice Kennedy Shriver* National Institute of Child Health and Human Development, National Institutes of Health, may not conduct or

## ATTACHMENT 5

{N5250103}

**The Harold Leever Regional  
Cancer Center, Inc.**

**Financial Statements  
and Independent Auditor's Report**

**September 30, 2015 and 2014**

The Harold Leever Regional Cancer Center, Inc.

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Independent Auditor's Report

To the Board of Directors  
The Harold Leever Regional Cancer Center, Inc.

We have audited the accompanying financial statements of The Harold Leever Regional Cancer Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

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

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

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



*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Harold Leever Regional Cancer Center, Inc. as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CohnReznick LLP*

Hartford, Connecticut  
December 15, 2015

The Harold Leever Regional Cancer Center, Inc.

Statements of Financial Position  
September 30, 2015 and 2014

<u>Assets</u>	2015	2014
Current assets		
Cash and cash equivalents	\$ 5,740,983	\$ 5,351,050
Patient services receivable, net	976,839	712,631
Rental income receivable	11,128	4,670
Prepaid expenses	353,765	67,965
Total current assets	<u>7,082,715</u>	<u>6,136,316</u>
Property and equipment, at cost:		
Building and improvements	11,741,249	11,632,528
Medical equipment	9,919,358	9,599,581
Computer equipment	967,614	919,932
Furniture and fixtures	312,133	289,180
	<u>22,940,354</u>	<u>22,441,221</u>
Less accumulated depreciation and amortization	<u>(12,580,802)</u>	<u>(11,077,193)</u>
	10,359,552	11,364,028
Land	2,572,220	2,572,220
Total property and equipment, net	<u>12,931,772</u>	<u>13,936,248</u>
Artwork	<u>31,216</u>	<u>31,216</u>
Total assets	<u>\$ 20,045,703</u>	<u>\$ 20,103,780</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 998,689	\$ 774,962
Accounts payable to related parties	30,417	98,162
Total current liabilities	<u>1,029,106</u>	<u>873,124</u>
Deposits	<u>15,897</u>	<u>15,897</u>
Total liabilities	1,045,003	889,021
Commitments and contingencies		
Net assets		
Unrestricted	18,858,538	19,048,099
Temporarily restricted	142,162	166,660
Total net assets	<u>19,000,700</u>	<u>19,214,759</u>
Total liabilities and net assets	<u>\$ 20,045,703</u>	<u>\$ 20,103,780</u>

See Notes to Financial Statements.

The Harold Leever Regional Cancer Center, Inc.

Statements of Activities  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Changes in unrestricted net assets		
Unrestricted revenue and support		
Patient services revenue, net of contractual allowances	\$ 7,750,650	\$ 8,100,538
Provision for uncollectible accounts	(169,370)	(108,862)
Net patient services revenue	7,581,280	7,991,676
Rental income	234,604	244,459
Contributions	250,901	84,508
Interest income	6,434	7,212
Other income	200	500
Net assets released from restrictions	28,345	87,122
Total unrestricted revenue and support	<u>8,101,764</u>	<u>8,415,477</u>
Operating expenses		
Program	5,861,515	5,725,181
Management and general	1,429,810	1,622,135
Total operating expenses	<u>7,291,325</u>	<u>7,347,316</u>
Change in unrestricted net assets before grant expense	810,439	1,068,161
Grant expense	<u>1,000,000</u>	<u>2,000,000</u>
Change in unrestricted net assets	<u>(189,561)</u>	<u>(931,839)</u>
Changes in temporarily restricted net assets		
Restricted contributions	3,847	5,831
Net assets released from restrictions	(28,345)	(87,122)
Change in temporarily restricted net assets	<u>(24,498)</u>	<u>(81,291)</u>
Change in net assets	(214,059)	(1,013,130)
Net assets, beginning of year	<u>19,214,759</u>	<u>20,227,889</u>
Net assets, end of year	<u>\$ 19,000,700</u>	<u>\$ 19,214,759</u>

See Notes to Financial Statements.

The Harold Leever Regional Cancer Center, Inc.

Statements of Functional Expenses  
Years Ended September 30, 2015 and 2014

	2015			2014		
	Program	Management and General	Total	Program	Management and General	Total
Salaries and wages	\$ 2,183,040	\$ 250,284	\$ 2,433,324	\$ 2,077,990	\$ 242,372	\$ 2,320,362
Depreciation and amortization	1,052,527	451,082	1,503,609	1,024,155	438,922	1,463,077
Service contracts and other	729,798	-	729,798	640,235	-	640,235
Contract labor	599,495	52,064	651,559	676,736	47,515	724,251
Benefits	519,627	59,575	579,202	538,106	62,763	600,869
Facility expense	401,107	171,905	573,012	355,743	152,463	508,206
PET payments to affiliates	-	182,490	182,490	-	292,845	292,845
Marketing	34,111	136,445	170,556	58,030	232,120	290,150
Medical supplies	168,725	-	168,725	178,800	-	178,800
Meeting and travel	135,566	10,568	146,134	115,108	10,543	125,651
Supplies	-	58,096	58,096	-	59,397	59,397
Professional development	20,353	31,447	51,800	27,036	33,913	60,949
Professional services	17,166	25,854	43,020	33,242	49,282	82,524
	<u>\$ 5,861,515</u>	<u>\$ 1,429,810</u>	<u>\$ 7,291,325</u>	<u>\$ 5,725,181</u>	<u>\$ 1,622,135</u>	<u>\$ 7,347,316</u>

See Notes to Financial Statements.

The Harold Leever Regional Cancer Center, Inc.

Statements of Cash Flows  
Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating activities		
Change in net assets	\$ (214,059)	\$ (1,013,130)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,503,609	1,463,077
Provision for uncollectible accounts	169,370	108,862
Changes in operating assets and liabilities		
Patient services receivable, net	(433,578)	(25,940)
Rental income receivable	(6,458)	(4,670)
Prepaid expenses	(285,800)	130,887
Accounts payable and accrued expenses	223,727	175,105
Accounts payable to related parties	(67,745)	(15,687)
Net cash provided by operating activities	<u>889,066</u>	<u>818,504</u>
Investing activities		
Purchases of property and equipment	<u>(499,133)</u>	<u>(715,876)</u>
Net increase in cash and cash equivalents	389,933	102,628
Cash and cash equivalents, beginning of year	<u>5,351,050</u>	<u>5,248,422</u>
Cash and cash equivalents, end of year	<u>\$ 5,740,983</u>	<u>\$ 5,351,050</u>

See Notes to Financial Statements.

**The Harold Leever Regional Cancer Center, Inc.**

**Notes to Financial Statements  
September 30, 2015 and 2014**

**Note 1 - Organization and summary of significant accounting policies**

**Nature of activities**

The Harold Leever Regional Cancer Center, Inc. (the "Center") is a nonprofit organization created to offer the most advanced radiation oncology technology for cancer treatments and comprehensive patient services. The Center is a licensed, freestanding 42,000 square-foot facility dedicated to outpatient cancer care. The Center also provides educational and support services to the community, as well as information on cancer screening and prevention guidelines serving the residents of Greater Waterbury and the surrounding communities in the State of Connecticut.

**Basis of presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting. The financial statements report information regarding the Center's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are described as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Center is subject to either explicit donor-imposed stipulations or by operation of law that can be fulfilled by actions of the Center or that expire by the passage of time.

Permanently Restricted - Net assets subject to explicit donor-imposed stipulations that they be maintained permanently by the Center and stipulate the use of income and/or appreciation as either unrestricted or temporarily restricted based on donor-imposed stipulations or by operation of law. At September 30, 2015 and 2014, the Center had no permanently restricted net assets.

**Performance indicator**

The statements of activities include the change in unrestricted net assets as the performance indicator.

**Concentrations of credit risk**

The Center's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and patient services receivable (see Note 2) and revenue (see Note 7).

The Center maintains its cash and cash equivalents with high-credit quality financial institutions. Amounts at September 30, 2015 exceeded Federally insured limits by approximately \$5,440,000. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Harold Leever Regional Cancer Center, Inc.

Notes to Financial Statements  
September 30, 2015 and 2014

**Cash and cash equivalents**

The Center considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

**Patient services receivable**

The collection of receivables from third-party payors and patients is the Center's primary source of cash for operations and is critical to its operating performance.

Patient services receivable and revenue are recorded when patient services are performed. The primary collection risk relates to patient accounts for which the primary insurance payor has paid, but patient responsibility amounts (deductibles and copayments) remain outstanding. Patient services receivable from third-party payors are carried at a net amount determined by the original charge for the service provided, less any estimate made for contractual adjustments or discounts provided to third-party payors.

Receivables due directly from patients are carried at the original charge for the service performed, less discounts provided under the Center's charity care policy, less amounts covered by third-party payors and an estimated allowance for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. The Center does not charge interest on past due accounts.

The provision for uncollectible accounts is increased when patient services receivable are deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of provision for uncollectible accounts when received.

**Property and equipment**

The Center capitalizes all expenditures for property and equipment in excess of \$3,500 and having a useful life of greater than one year. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives. Capital leases are amortized over the shorter of the lease term or the estimated useful life. Estimated lives for financial reporting purposes are as follows:

<u>Asset</u>	<u>Estimated Lives</u>
Buildings and improvements	7 - 40 years
Medical and computer equipment	3 - 7 years
Furniture and fixtures	7 years

## The Harold Leever Regional Cancer Center, Inc.

### Notes to Financial Statements September 30, 2015 and 2014

Major renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities.

The Center has a collection of artwork, appraised at \$31,216, that is on public display. Artwork is recorded at cost if purchased and at appraised or fair value at date of accession if donated. Gains and losses from deaccessions are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions.

#### **Impairment of long-lived assets**

The Center reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Center compares the carrying value of the asset with its estimated future undiscounted cash flows. If it is determined that impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset's carrying value and the present value of estimated net cash flows or comparable market value, giving consideration to recent operating performance and pricing trends. The Center does not believe that any material impairment currently exists related to its long-lived assets.

#### **Revenue recognition**

##### **Patient services revenue**

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Patient services revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors, which are subject to audit by administering agencies. These adjustments are accrued on an estimated basis and are adjusted in future periods as final settlements are determined.

The Center provides care to certain patients under Medicare and Medicaid payment arrangements. Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action. Self-pay revenue is recorded at published charges with charity care deducted to arrive at net self-pay revenue.

##### **Contributions**

Contributions received are recorded at fair value when received or pledged. Amounts are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.



**The Harold Leever Regional Cancer Center, Inc.**

**Notes to Financial Statements  
September 30, 2015 and 2014**

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 are reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as unrestricted revenue. Conditional contributions are recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions on the statements of activities.

**Functional expenses**

The cost of providing various program and supporting services has been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**Income taxes**

The Center was organized as a nonstock, nonprofit corporation and is exempt from Federal and state income tax under the provisions of the Internal Revenue Code Section 501(c)(3).

The Center has no unrecognized tax benefits at September 30, 2015 and 2014. The Center's Federal and state information returns prior to fiscal year 2012 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Center had unrelated business income, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

**Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Subsequent events**

The Center has evaluated events and transactions for potential recognition or disclosure through December 15, 2015, which is the date the financial statements were available to be issued.

**The Harold Leever Regional Cancer Center, Inc.**

**Notes to Financial Statements  
September 30, 2015 and 2014**

**Note 2 - Patient services receivable, net**

The Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors as of September 30, 2015 and 2014 is as follows:

	2015	2014
Medicare	\$ 214,841	\$ 290,862
Anthem Blue Cross Blue Shield	424,849	124,088
Other managed care	301,549	314,965
Self-pay	109,997	111,505
	<u>1,051,236</u>	<u>841,420</u>
Less allowance for doubtful accounts	74,397	128,789
	<u>\$ 976,839</u>	<u>\$ 712,631</u>

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

For receivables associated with services provided to patients who have third-party coverage, the Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Center records a provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates provided by the Center's policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

The Center's allowance for doubtful accounts is 7% and 15% of patient service receivables at September 30, 2015 and 2014, respectively. The Center has not changed its charity care or uninsured discount policies during 2015 and 2014. The Center had \$48,762 and \$127,713 of write-offs during the years ended September 30, 2015 and 2014, respectively.

**The Harold LEEVER Regional Cancer Center, Inc.**

**Notes to Financial Statements  
September 30, 2015 and 2014**

**Note 3 - Related party transactions**

The Center was organized by The Waterbury Hospital and St. Mary's Hospital (the "Members"). The Center has paid for services provided by the Members as follows:

	2015		2014	
	Accounts Payable to Related Parties	Included in Expenses	Accounts Payable to Related Parties	Included in Expenses
The Waterbury Hospital - provides employee training, linen and security service, PET payments to affiliates and miscellaneous expenses	\$ 13,801	\$ 120,968	\$ 38,830	\$ 161,423
St. Mary's Hospital - provides new employee physicals, PET payments to affiliates and repair of equipment	16,616	159,644	59,332	293,410
Totals	<u>\$ 30,417</u>	<u>\$ 280,612</u>	<u>\$ 98,162</u>	<u>\$ 454,833</u>

In accordance with certain agreements, 80% of net positron emission tomography ("PET") revenue after certain expenses is distributed equally to the Members. The Center paid \$500,000 and \$1,000,000 to both of the Members for a total of \$1,000,000 and \$2,000,000 for the years ended September 30, 2015 and 2014, respectively. These payments represent grants which were made by the Center to further its mission to maintain and improve the health status of the residents of Connecticut by providing accessible community-based comprehensive medical care and treatment of cancer patients.

**Note 4 - Temporarily restricted net assets**

Temporarily restricted net assets are available for the following purposes as of September 30, 2015 and 2014:

Description	2015	2014
Indigent Care Fund	\$ 81,893	\$ 103,790
Reflections Boutique	53,192	54,439
TASIS Lymphadema	7,077	8,431
Totals	<u>\$ 142,162</u>	<u>\$ 166,660</u>

The Harold Leever Regional Cancer Center, Inc.

Notes to Financial Statements  
September 30, 2015 and 2014

**Note 5 - Rental income**

The Center rents portions of its facility at 1075 Chase Parkway to third parties. As of September 30, 2015 and 2014, three leases were in effect which expire at various dates through June 1, 2023. For all agreements, the Center is responsible for structural maintenance, insurance and real estate taxes. Rental income for the years ended September 30, 2015 and 2014 was \$234,604 and \$244,459, respectively. Future rental income related to these agreements for each of the five years subsequent to September 30, 2015 and thereafter is as follows:

<u>Year Ending September 30,</u>	
2016	\$ 202,351
2017	147,382
2018	147,382
2019	147,382
2020	147,382
Thereafter	393,018
	<u>\$ 1,184,897</u>

**Note 6 - Service contracts**

The Center has equipment service agreements through April 2022. The agreements require monthly payments ranging from \$3,368 to \$14,756. As of September 30, 2015, future minimum payments under these noncancelable service agreements in each of the next five years and thereafter are as follows:

<u>Year Ending September 30,</u>	
2016	\$ 732,366
2017	732,366
2018	658,866
2019	533,155
2020	180,836
Thereafter	192,869
	<u>\$ 3,030,458</u>

Total expense for these service contracts for the years ended September 30, 2015 and 2014 was \$635,947 and \$551,140, respectively, and is included in program expenses on the statements of functional expenses.

The Harold Leever Regional Cancer Center, Inc.

Notes to Financial Statements  
September 30, 2015 and 2014

**Note 7 - Patient services revenue, net**

The Center recognizes patient services revenue associated with services provided to patients who have Medicaid, Medicare and third-party payor coverage on the basis of contractual rates for services rendered.

For the years ended September 30, 2015 and 2014, patient services revenue (net of contractual allowances) consists of the following:

	2015	2014
Medicare	\$ 2,165,236	\$ 2,833,331
Anthem Blue Cross Blue Shield	1,205,164	1,390,139
Other managed care	3,476,912	2,767,389
Medicaid	756,267	504,926
Self-pay	147,071	604,753
	<u>\$ 7,750,650</u>	<u>\$ 8,100,538</u>

Medicaid, Medicare and third-party payor revenue is reimbursed to the Center at the net reimbursement rates determined by each program. Reimbursement rates are subject to revisions under the provision of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred.

**Note 8 - 401(k) pension plan**

The Center maintains a 401(k) pension plan for all eligible employees. Employees may start participating in the plan after one month of service. The Center contributes 3% of eligible employees' annual salary. An employee is eligible for participating in the employer match after one year of employment, 1,000 hours of service and attaining the age of 21. The Center matches 50% of the employee's contribution up to 6% of the employee's annual salary. Employee contributions are 100% vested and employer contributions are vested after three years. Pension expense for the years ended September 30, 2015 and 2014 was \$118,955 and \$126,085, respectively.

**Note 9 - Commitments and contingencies**

The healthcare industry is subject to voluminous and complex laws and regulations of Federal, state and local governments. 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. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws and false claims prohibitions.

**The Harold Leever Regional Cancer Center, Inc.**

**Notes to Financial Statements  
September 30, 2015 and 2014**

In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of reimbursement, false claims, anti-kickback and anti-referral statutes and regulation by healthcare providers. The Center believes that it is in material compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Upon audit, if discrepancies are discovered, the Center could be held responsible for refunding the amounts in question.

**Note 10 - Professional liability**

The Center maintains insurance coverage for professional liability on a "claims-made" basis. The coverage limits are \$2,000,000 per claim and \$5,000,000 in the aggregate.

## ATTACHMENT 6

{N5250103}

**NON-PROFIT**

**Applicant:**

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

**Financial Worksheet (A)**

LINE	Total Entity: Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		FY 15 Actual Results	FY 16 Projected W/out CON	FY 16 Projected Incremental	FY 16 Projected With CON	FY 17 Projected W/out CON	FY 17 Projected Incremental	FY 17 Projected With CON	FY 18 Projected W/out CON	FY 18 Projected Incremental	FY 18 Projected With CON	FY 19 Projected W/out CON	FY 19 Projected Incremental	FY 19 Projected With CON
<b>A. OPERATING REVENUE</b>														
1	Total Gross Patient Revenue	\$25,833	\$28,510		\$28,510	\$28,636		\$28,636	\$28,636		\$28,636	\$28,636		\$28,636
2	Less: Allowances	\$18,083	\$20,183		\$20,183	\$20,235		\$20,235	\$20,235		\$20,235	\$20,235		\$20,235
3	Less: Charity Care				\$0			\$0			\$0			\$0
4	Less: Other Deductions				\$0			\$0			\$0			\$0
	<b>Net Patient Service Revenue</b>	<b>\$7,750</b>	<b>\$8,327</b>	<b>\$0</b>	<b>\$8,327</b>	<b>\$8,401</b>	<b>\$0</b>	<b>\$8,401</b>	<b>\$8,401</b>	<b>\$0</b>	<b>\$8,401</b>	<b>\$8,401</b>	<b>\$0</b>	<b>\$8,401</b>
5	Medicare	\$3,370	\$3,850		\$3,850	\$3,759		\$3,759	\$3,759		\$3,759	\$3,759		\$3,759
6	Medicaid	\$756	\$756		\$756	\$756		\$756	\$756		\$756	\$756		\$756
7	CHAMPUS & TriCare				\$0			\$0			\$0			\$0
8	Other				\$0			\$0			\$0			\$0
	<b>Total Government</b>	<b>\$4,126</b>	<b>\$4,606</b>	<b>\$0</b>	<b>\$4,606</b>	<b>\$4,515</b>	<b>\$0</b>	<b>\$4,515</b>	<b>\$4,515</b>	<b>\$0</b>	<b>\$4,515</b>	<b>\$4,515</b>	<b>\$0</b>	<b>\$4,515</b>
9	Commercial Insurers	\$3,477	\$3,571		\$3,571	\$3,736		\$3,736	\$3,736		\$3,736	\$3,736		\$3,736
10	Uninsured				\$0			\$0			\$0			\$0
11	Self Pay	\$147	\$150		\$150	\$150		\$150	\$150		\$150	\$150		\$150
12	Workers Compensation				\$0			\$0			\$0			\$0
13	Other				\$0			\$0			\$0			\$0
	<b>Total Non-Government</b>	<b>\$3,624</b>	<b>\$3,721</b>	<b>\$0</b>	<b>\$3,721</b>	<b>\$3,886</b>	<b>\$0</b>	<b>\$3,886</b>	<b>\$3,886</b>	<b>\$0</b>	<b>\$3,886</b>	<b>\$3,886</b>	<b>\$0</b>	<b>\$3,886</b>
	<b>Net Patient Service Revenue<sup>a</sup> (Government+Non-Government)</b>	<b>\$7,750</b>	<b>\$8,327</b>	<b>\$0</b>	<b>\$8,327</b>	<b>\$8,401</b>	<b>\$0</b>	<b>\$8,401</b>	<b>\$8,401</b>	<b>\$0</b>	<b>\$8,401</b>	<b>\$8,401</b>	<b>\$0</b>	<b>\$8,401</b>
14	Less: Provision for Bad Debts	\$169	\$250		\$250	\$250		\$250	\$250		\$250	\$250		\$250
	<b>Net Patient Service Revenue less provision for bad debts</b>	<b>\$7,581</b>	<b>\$8,077</b>	<b>\$0</b>	<b>\$8,077</b>	<b>\$8,151</b>	<b>\$0</b>	<b>\$8,151</b>	<b>\$8,151</b>	<b>\$0</b>	<b>\$8,151</b>	<b>\$8,151</b>	<b>\$0</b>	<b>\$8,151</b>
15	Other Operating Revenue				\$0			\$0			\$0			\$0
17	Net Assets Released from Restrictions	\$28			\$0			\$0			\$0			\$0
	<b>TOTAL OPERATING REVENUE</b>	<b>\$7,609</b>	<b>\$8,077</b>	<b>\$0</b>	<b>\$8,077</b>	<b>\$8,151</b>	<b>\$0</b>	<b>\$8,151</b>	<b>\$8,151</b>	<b>\$0</b>	<b>\$8,151</b>	<b>\$8,151</b>	<b>\$0</b>	<b>\$8,151</b>
<b>B. OPERATING EXPENSES</b>														
1	Salaries and Wages	\$2,433	\$2,447		\$2,447	\$2,689		\$2,689	\$2,716		\$2,716	\$2,743		\$2,743
2	Fringe Benefits	\$579	\$651		\$651	\$709		\$709	\$716		\$716	\$723		\$723
3	Physicians Fees				\$0			\$0			\$0			\$0
4	Supplies and Drugs	\$169	\$203		\$203	\$191		\$191	\$191		\$191	\$191		\$191
5	Depreciation and Amortization	\$1,504	\$962		\$962	\$861		\$861	\$861		\$861	\$861		\$861
6	Provision for Bad Debts-Other <sup>b</sup>				\$0			\$0			\$0			\$0
7	Interest Expense	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0
8	Malpractice Insurance Cost				\$0			\$0			\$0			\$0
9	Lease Expense				\$0			\$0			\$0			\$0
10	Other Operating Expenses	\$3,606	\$6,168		\$6,168	\$4,242		\$4,242	\$4,284		\$4,284	\$4,327		\$4,327
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$8,291</b>	<b>\$10,431</b>	<b>\$0</b>	<b>\$10,431</b>	<b>\$8,692</b>	<b>\$0</b>	<b>\$8,692</b>	<b>\$8,768</b>	<b>\$0</b>	<b>\$8,768</b>	<b>\$8,846</b>	<b>\$0</b>	<b>\$8,846</b>
	<b>INCOME/(LOSS) FROM OPERATIONS</b>	<b>(\$682)</b>	<b>(\$2,354)</b>	<b>\$0</b>	<b>(\$2,354)</b>	<b>(\$541)</b>	<b>\$0</b>	<b>(\$541)</b>	<b>(\$617)</b>	<b>\$0</b>	<b>(\$617)</b>	<b>(\$695)</b>	<b>\$0</b>	<b>(\$695)</b>
	<b>NON-OPERATING REVENUE</b>	<b>\$493</b>	<b>\$388</b>		<b>\$388</b>	<b>\$398</b>		<b>\$398</b>	<b>\$398</b>		<b>\$398</b>	<b>\$398</b>		<b>\$398</b>



**NON-PROFIT**

**Applicant:**  
**Financial Worksheet (A)**

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

LINE	Total Entity; Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		FY 15 Actual Results	FY 16 Projected W/out CON	FY 16 Projected Incremental	FY 16 Projected With CON	FY 17 Projected W/out CON	FY 17 Projected Incremental	FY 17 Projected With CON	FY 18 Projected W/out CON	FY 18 Projected Incremental	FY 18 Projected With CON	FY 19 Projected W/out CON	FY 19 Projected Incremental	FY 19 Projected With CON
	<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(\$189)	(\$1,966)	\$0	(\$1,966)	(\$143)	\$0	(\$143)	(\$219)	\$0	(\$219)	(\$297)	\$0	(\$297)
	Principal Payments	\$0			\$0			\$0			\$0			\$0
<b>C. PROFITABILITY SUMMARY</b>														
1	Hospital Operating Margin	-8.4%	-27.8%	0.0%	-27.8%	-6.3%	0.0%	-6.3%	-7.2%	0.0%	-7.2%	-8.1%	0.0%	-8.1%
2	Hospital Non Operating Margin	6.1%	4.6%	0.0%	4.6%	4.7%	0.0%	4.7%	4.7%	0.0%	4.7%	4.7%	0.0%	4.7%
3	Hospital Total Margin	-2.3%	-23.2%	0.0%	-23.2%	-1.7%	0.0%	-1.7%	-2.6%	0.0%	-2.6%	-3.5%	0.0%	-3.5%
<b>D. FTEs</b>														
		24	24		24	24		24	24		24	24		24
<b>E. VOLUME STATISTICS<sup>c</sup></b>														
1	Inpatient Discharges				0			0			0			0
2	Outpatient Visits	11,822	13,374		13,374	13,374		13,374	13,374		13,374	13,374		13,374
	<b>TOTAL VOLUME</b>	<b>11,822</b>	<b>13,374</b>	<b>0</b>	<b>13,374</b>	<b>13,374</b>	<b>0</b>	<b>13,374</b>	<b>13,374</b>	<b>0</b>	<b>13,374</b>	<b>13,374</b>	<b>0</b>	<b>13,374</b>

<sup>a</sup>Total amount should equal the total amount on cell line "Net Patient Revenue" Row 14.

<sup>b</sup>Provide the amount of any transaction associated with Bad Debts not related to the provision of direct services to patients. For additional information, refer to FASB, No.2011-07, July 2011.

<sup>c</sup>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.



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Supplemental CON Application Form  
**Transfer of Ownership of a Health Care Facility**  
Conn. Gen. Stat. § 19a-638(a)(2)

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**Applicant:** Greater Waterbury Health Network, Inc. and Prospect Medical Holdings, Inc.

**Project Name:** Transfer of The Waterbury Hospital's Joint Venture Interest in The Harold Leever Regional Cancer Center, Inc. to a subsidiary of Prospect Medical Holdings, Inc. as part of proposed Asset Purchase by Prospect Medical Holdings, Inc. under OCHA Docket Number 15-32017-486

**Affidavit**

Applicant: Greater Waterbury Health Network, Inc.

Project Title: Transfer of The Waterbury Hospital's Joint Venture Interest in The Harold Leever Regional Cancer Center, Inc. to a subsidiary of Prospect Medical Holdings, Inc. as part of proposed Asset Purchase by Prospect Medical Holdings, Inc. under OCHA Docket Number 15-32017-486.

I, Darlene Stromstad, President/CEO  
(Name) (Position – CEO or CFO)

of Greater Waterbury Health Network, Inc. being duly sworn, depose and state that Cardiology Associates of Greater Waterbury, LLC complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

[Handwritten Signature] 9/6/16  
Signature Date

Subscribed and sworn to before me on 9/6/16

[Handwritten Signature]  
Notary Public/Commissioner of Superior Court

My commission expires: 12/31/19

**JAIMEE SEKELSKY**  
Notary Public, State of Connecticut  
My Commission Expires Dec 31, 2019

**Affidavit**

Applicant: Prospect Medical Holdings, Inc.

Project Title: Transfer of The Waterbury Hospital's Joint Venture Interest in The Harold Leever Regional Cancer Center, Inc. to a subsidiary of Prospect Medical Holdings, Inc. as part of proposed Asset Purchase by Prospect Medical Holdings, Inc. under OCHA Docket Number 15-32017-486.

I, Sam Lee, President/CEO (Name)

of Prospect Medical Holdings, Inc. being duly sworn, depose and state that Prospect Medical Holdings, Inc. complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Subscribed and sworn to before me on \_\_\_\_\_

\_\_\_\_\_  
Notary Public/Commissioner of Superior Court

My commission expires: \_\_\_\_\_

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

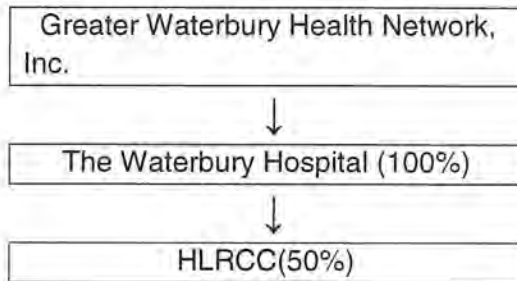
- a. Describe the transition plan and how the Applicants will ensure continuity of services. Provide a copy of a transition plan, if available.

Response: No change in services or service delivery is expected as a result of the transfer of The Waterbury Hospital's Joint Venture Interest in HLRCC to a Prospect entity. It is not anticipated that transfer will impact the services provided by HLRCC affiliated physicians, and the same patient population will continue to be served by the same physicians at the same location.

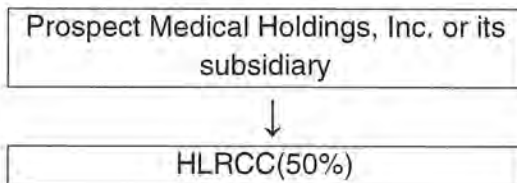
- b. For each Applicant (and any new entities to be created as a result of the proposal), provide the following information as it would appear **prior** and **subsequent** to approval of this proposal:

- i. Legal chart of corporate or entity structure including all affiliates.
- ii. Governance or controlling body
- iii. List of owners and the % ownership and shares of each.

*Prior to Approval:*



*Subsequent to Approval:*



- c. Does this proposal avoid the corporate practice of medicine? Explain in detail.

Response: Yes. The transaction will be structured in a manner compliant with state law that maintains the current independence of HLRCC's affiliated physicians.

## **2. Clear Public Need**

- a. Is the proposal being submitted due to provisions of the Federal Sherman Antitrust Act and Conn. Gen Stat. §35-24 et seq. statutes? Explain in detail.

Response: No.

- b. Is the proposal being submitted due to provisions of the Patient Protection and Affordable Care Act (PPACA)? Explain in detail.

Response: No.

# PROOF OF NEWSPAPER PUBLICATION









**COPY OF FILING FEE CHECK**

{}

**CARMODY**  
 TORRANCE | SANDAK | HENNESSEY LP  
 50 Leavenworth Street  
 Waterbury, CT 06702

WEBSTER BANK  
 WATERBURY, CT

51-701/02111

244646

DATE

September 07, 2016

PAY

\*\*Five Hundred & 00/100\*\*

AMOUNT  
 \*\*500.00\*\*

WL252230-12-13

TO THE ORDER OF:

TREASURER-STATE OF CONNECTICUT

VOID IF NOT CASHED WITHIN 1 YEAR

*[Handwritten Signature]*

MP

SECURITY FEATURES INCLUDED: DIGITAL SIGNATURE

**CARMODY TORRANCE, SANDAK, HENNESSEY LLP**  
 September 07, 2016 Check Number 244646 Check Amount \*\*500.00\*\*  
 TREASURER-STATE OF CONNECTICUT, .

Voucher Date	Vendor Id	Voucher#	Voucher Description	Voucher Amount
09/07/2016	TREASUR	090716	HAROLD LEEVER CANCER CENTER CON APPLICATION FEE	500.00

## Greer, Leslie

---

**From:** Schaeffer-Helmecki, Jessica  
**Sent:** Wednesday, October 05, 2016 9:14 AM  
**To:** 'dstromstad@wtbyhosp.org'  
**Cc:** User, OHCA; Greer, Leslie; Riggott, Kaila  
**Subject:** Questions regarding 16-32121-CON  
**Attachments:** 16-32121-CON Completeness letter Waterbury HLCC2.docx; 16-32121-CON Completeness letter Waterbury HLCC2.pdf

Good Morning Ms Stromstad,

Attached please find questions (in both word and pdf format) regarding Greater Waterbury Health Network's application to transfer its ownership interest in the Harold Leever Regional Cancer Center to Prospect (Docket Number 16-32121-CON).

Please confirm receipt of this message at your earliest convenience and feel free to contact me if you have any questions.

Thank you,

Jessica

**Jessica Schaeffer-Helmecki, JD, MPA**

Planning Analyst, Office of Health Care Access

Connecticut Department of Public Health

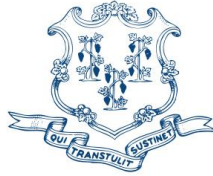
410 Capitol Avenue, MS #13 HCA, Hartford, Connecticut 06134

P: (860) 509-8075 | F: (860) 418-7053 | E: [jessica.schaeffer-helmecki@ct.gov](mailto:jessica.schaeffer-helmecki@ct.gov)



# STATE OF CONNECTICUT

## DEPARTMENT OF PUBLIC HEALTH



Dannel P. Malloy  
Governor  
Nancy Wyman  
Lt. Governor

Raul Pino, M.D., M.P.H.  
Commissioner

### Office of Health Care Access

October 5, 2016

Via Email Only

Ms. Darlene Stromstad  
President/CEO  
64 Robbins Street  
Waterbury, CT 06708  
[dstromstad@wtbyhosp.org](mailto:dstromstad@wtbyhosp.org)

RE: Certificate of Need Application: Docket No. 16-32121-CON  
Transfer of Ownership of Greater Waterbury Health Network's ownership interest in The Harold Leever Regional Cancer Center, Inc. to Prospect Medical Holdings, Inc.  
Certificate of Need Completeness Letter

Dear Ms. Stromstad:

On September 7, 2016, the Department of Public Health ("DPH"), Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") application to transfer Greater Waterbury Health Network, Inc.'s ("GWHN's") 50% ownership interest the Harold Leever Regional Cancer Center, Inc. ("HLRCC") to Prospect Medical Holdings, Inc. ("PMH") or a subsidiary.

OHCA requests additional information pursuant to Connecticut General Statutes §19a-639a(c). *Please electronically confirm receipt of this email as soon as you receive it.* Provide responses to the questions below in both a Word document and PDF format as an attachment to a responding email. ***Please email your responses as an attachment to each of the following addresses:*** [OHCA@ct.gov](mailto:OHCA@ct.gov); [Jessica.schaeffer-helmecki@ct.gov](mailto:Jessica.schaeffer-helmecki@ct.gov); and [kaila.riggott@ct.gov](mailto:kaila.riggott@ct.gov).

Pursuant to Section 19a-639a(c) of the Connecticut General Statutes, you must submit your response to this request no later than sixty days from the date of this email transmission. Therefore, please provide your written responses to OHCA no later than **Monday, December 5, 2016**, otherwise your application will be automatically considered withdrawn.



Phone: (860) 418-7001 • Fax: (860) 418-7053  
410 Capitol Avenue, MS#13HCA  
Hartford, Connecticut 06134-0308  
[www.ct.gov/dph](http://www.ct.gov/dph)

*Affirmative Action/Equal Opportunity Employer*

Paginate and date your response (i.e., each page in its entirety). Repeat each OHCA question before providing your response. Information filed after the initial CON application submission (e.g., completeness response letter, prefiled testimony, late file submissions, etc.) must be numbered sequentially from the Applicant's preceding document. Begin your submission using **Page 84** and reference "**Docket Number: 16-32121-CON.**"

- 1) Which entity or entities own the PET-CT and Linear Accelerator operated at HLRCC?
- 2) How specifically will the Applicants notify patients of the change in ownership?
- 3) Will any additional or new facility fees be imposed at HLRCC as a result of the proposal?
- 4) Is the FY2016 data on pages 28 and 29 of the application annualized? If so, please indicate on which months the data is based.
- 5) Please reconcile Table 4 on page 24, which shows incremental gains, with the financial attachment on page 71 of the application, which shows no incremental gains/losses.

If you have any questions concerning this letter, please feel free to contact me at (860) 508-8075.

Sincerely,



Jessica Schaeffer-Helmecki  
Planning Analyst

## Greer, Leslie

---

**From:** David S. Hardy <DHardy@carmodylaw.com>  
**Sent:** Monday, October 17, 2016 10:57 AM  
**To:** Schaeffer-Helmecki, Jessica; User, OHCA  
**Cc:** Greer, Leslie; Riggott, Kaila; dstromstad@wtbyhosp.org; mmv@bvmlaw.com; Ann H. Zucker; Attorney Bob Anthony (BAnthony@Stmh.org)  
**Subject:** 16-32121-CON - Harold Leever Regional Cancer Center - Responses to Completeness Questions  
**Attachments:** HL00084.pdf; GWHN HLRCC CON Completeness Responses (N5276923).docx; HL00008 (N5279091).pdf; HL00075 (N5279090).pdf

Jessica,

Attached are the responses to the October 5, 2016 completeness letter in Docket Number 16-32121-CON (Harold Leever Regional Cancer Center) in PDF and Word formats. I am also attaching signed affidavits in substitution for pages HL00008 and HL00075 of the application. Please let me know if you have any questions. Thank you very much.  
Dave

**David S. Hardy** | [Bio](#)  
**Carmody Torrance Sandak & Hennessey LLP**  
195 Church Street | P.O. Box 1950  
New Haven, CT 06509-1950  
Direct: 203-784-3119 | Fax: 203-784-3199  
[DHardy@carmodylaw.com](mailto:DHardy@carmodylaw.com) | [www.carmodylaw.com](http://www.carmodylaw.com)

-----  
IRS CIRCULAR 230 DISCLOSURE. To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in the communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

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HTML



**Certificate of Need Application:**

**Docket Number: 16-32121-CON**

*Transfer of Ownership of Greater Waterbury Health Network's ownership interest in The Harold Leever Regional Cancer Center, Inc. to Prospect Medical Holdings, Inc.*

**Responses to October 5, 2016 Completeness Letter Questions:**

- 1) Which entity or entities own the PET-CT and Linear Accelerator operated at HLRCC?

**RESPONSE:**

**The Harold Leever Regional Cancer Center, Inc.**

- 2) How specifically will the Applicants notify patients of the change in ownership?

**RESPONSE:**

**Upon receipt of CON approvals from OHCA, HLRCC will update its website, and post a sign in the lobby of its facility for thirty (30) days notifying patients of the change in ownership.**

- 3) Will any additional or new facility fees be imposed at HLRCC as a result of the proposal?

**RESPONSE:**

**No.**

- 4) Is the FY2016 data on pages 28 and 29 of the application annualized? If so, please indicate on which months the data is based.

**RESPONSE:**

**Yes. The data is based on ten (10) months of actual data.**

- 5) Please reconcile Table 4 on page 24, which shows incremental gains, with the financial attachment on page 71 of the application, which shows no incremental gains/losses.

**RESPONSE:**

**A revised and reconciled Table 4 is submitted herewith.**

{N5276923}

**TABLE 4**  
**PROJECTED INCREMENTAL REVENUES AND EXPENSES**

	FY 2016	FY 2017	FY 2018
Revenue from Operations	\$0	\$0	\$0
Total Operating Expenses	\$0	\$0	\$0
Gain/Loss from Operations	\$0	\$0	\$0

{N5276923}

**Affidavit**

Applicant: Prospect Medical Holdings, Inc.

Project Title: Transfer of The Waterbury Hospital's Joint Venture Interest in The Harold Leever Regional Cancer Center, Inc. to a subsidiary of Prospect Medical Holdings, Inc. as part of proposed Asset Purchase by Prospect Medical Holdings, Inc. under OCHA Docket Number 15-32017-486.

I, Sam Lee, CEO  
(Name) (Position – CEO or CFO)

of Prospect Medical Holdings, Inc. being duly sworn, depose and state that Prospect Medical Holdings, Inc. complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

[Signature]  
Signature

9/9/16  
Date

Subscribed and sworn to before me on September 9, 2016

[Signature]  
Notary Public/Commissioner of Superior Court

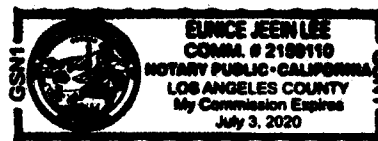
My commission expires: July 3, 2020

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA COUNTY OF Los Angeles  
Subscribed and sworn to (or affirmed) before me on this 9th day of September 20 16 by SAM LEE (sam lee)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

[Signature]  
(Signature of Notary)



# Affidavit

Applicant: Prospect Medical Holdings, Inc.

Project Title: Transfer of The Waterbury Hospital's Joint Venture Interest in The Harold Leever Regional Cancer Center, Inc. to a subsidiary of Prospect Medical Holdings, Inc. as part of proposed Asset Purchase by Prospect Medical Holdings, Inc. under OCHA Docket Number 15-32017-486.

I, Sam Lee, CEO  
(Name) (Position – CEO or CFO)

of Prospect Medical Holdings, Inc. being duly sworn, depose and state that the (Facility Name) said facility complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

[Signature] 9/9/16  
Signature Date

Subscribed and sworn to before me on September 9, 2016

[Signature]  
Notary Public/Commissioner of Superior Court

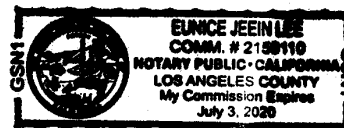
My commission expires: July 3, 2020

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA COUNTY OF LOS ANGELES  
Subscribed and sworn to (or affirmed) before me on this 9th day of September 2016 by Sang Eun Lee (Sam Lee)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

[Signature]  
(Signature of Notary)



## Greer, Leslie

---

**From:** Schaeffer-Helmecki, Jessica  
**Sent:** Tuesday, November 15, 2016 1:30 PM  
**To:** 'dstromstad@wtbyhosp.org'  
**Cc:** Riggott, Kaila; Greer, Leslie  
**Subject:** Clarification: DN 16-32121-CON

Good Afternoon Ms. Stromstrad,

We have reviewed your completeness responses and application to transfer GWHN's interest in HLRCC to Prospect Medical Holdings (docket number 16-32121-CON). We have one area that needs clarification. On page 18 of your application, it states that the proposed charity care policy is found in attachment 4, however, the attachment on page 48 appears to not be an actual policy provided by Prospect but the federal poverty guidelines.

Please a) provide the anticipated charity care and sliding scale policy Prospect will employ at HLRCC; b) explain how it will vary from that currently in place at HLRCC; and c) provide the actual policy currently in place at HLRCC.

If you have any questions or I can be of any assistance, please feel free to call or respond to this e-mail.

Thank you,

Jessica

**Jessica Schaeffer-Helmecki, JD, MPA**

Planning Analyst, Office of Health Care Access

Connecticut Department of Public Health

410 Capitol Avenue, MS #13 HCA, Hartford, Connecticut 06134

P: (860) 509-8075 | F: (860) 418-7053 | E: [jessica.schaeffer-helmecki@ct.gov](mailto:jessica.schaeffer-helmecki@ct.gov)



## Greer, Leslie

---

**From:** Schaeffer-Helmecki, Jessica  
**Sent:** Tuesday, November 15, 2016 1:38 PM  
**To:** Greer, Leslie  
**Subject:** FW: Clarification: DN 16-32121-CON

Hi Leslie, when you get a chance, please add this to the record for 16-32121-CON. Thanks.

---

**From:** Stromstad, Darlene [<mailto:dstromstad@wtbyhosp.org>]  
**Sent:** Tuesday, November 15, 2016 1:36 PM  
**To:** Schaeffer-Helmecki, Jessica  
**Subject:** RE: Clarification: DN 16-32121-CON

Hi, Jessica. Will do. Thanks. DS

---

**From:** Schaeffer-Helmecki, Jessica [<mailto:Jessica.Schaeffer-Helmecki@ct.gov>]  
**Sent:** Tuesday, November 15, 2016 1:30 PM  
**To:** Stromstad, Darlene  
**Cc:** Riggott, Kaila; Greer, Leslie  
**Subject:** Clarification: DN 16-32121-CON

Good Afternoon Ms. Stromstrad,

We have reviewed your completeness responses and application to transfer GWHN's interest in HLRCC to Prospect Medical Holdings (docket number 16-32121-CON). We have one area that needs clarification. On page 18 of your application, it states that the proposed charity care policy is found in attachment 4, however, the attachment on page 48 appears to not be an actual policy provided by Prospect but the federal poverty guidelines.

Please a) provide the anticipated charity care and sliding scale policy Prospect will employ at HLRCC; b) explain how it will vary from that currently in place at HLRCC; and c) provide the actual policy currently in place at HLRCC.

If you have any questions or I can be of any assistance, please feel free to call or respond to this e-mail.

Thank you,

Jessica

**Jessica Schaeffer-Helmecki, JD, MPA**  
Planning Analyst, Office of Health Care Access  
Connecticut Department of Public Health  
410 Capitol Avenue, MS #13 HCA, Hartford, Connecticut 06134  
P: (860) 509-8075 | F: (860) 418-7053 | E: [jessica.schaeffer-helmecki@ct.gov](mailto:jessica.schaeffer-helmecki@ct.gov)



## Greer, Leslie

---

**From:** Schaeffer-Helmecki, Jessica  
**Sent:** Thursday, January 19, 2017 11:49 AM  
**To:** dstromstad@wtbyhosp.org  
**Cc:** Greer, Leslie; Riggott, Kaila  
**Subject:** Deemed Complete: 16-32121-CON  
**Attachments:** 16-32121-CON Notification of Application Deemed Complete.pdf

Dear Ms. Stromstad:

Attached please find notification that GWHN's application for the transfer of its ownership interest in the Harold Leever Regional Cancer Center to Prospect Medical Holding's (docket number 16-32121) has been deemed complete.

Thank you,

**Jessica Schaeffer-Helmecki, JD, MPA**

Planning Analyst, Office of Health Care Access

Connecticut Department of Public Health

410 Capitol Avenue, MS #13 HCA, Hartford, Connecticut 06134

P: (860) 509-8075 | F: (860) 418-7053 | E: [jessica.schaeffer-helmecki@ct.gov](mailto:jessica.schaeffer-helmecki@ct.gov)



STATE OF CONNECTICUT  
DEPARTMENT OF PUBLIC HEALTH



Raul Pino, M.D., M.P.H.  
Commissioner

Dannel P. Malloy  
Governor  
Nancy Wyman  
Lt. Governor

Office of Health Care Access

January 19, 2017

Via Email Only

Ms. Darlene Stromstad  
President/CEO  
Waterbury Hospital  
64 Robbins Street  
Waterbury, CT 06708  
[dstromstad@wtbyhosp.org](mailto:dstromstad@wtbyhosp.org)

RE: Certificate of Need Application: Docket Number: 16-32121-CON  
Transfer of The Waterbury Hospital's Interest in The Harold Leever Regional Cancer  
Center, Inc. to a Subsidiary of Prospect Medical Holdings, Inc.

Dear Ms. Stromstad:

This letter is to inform you that, pursuant to Section 19a-639a (d) of the Connecticut General Statutes, the Office of Health Care Access has deemed the above-referenced application complete as of November 16, 2016.

If you have any questions concerning this letter, please feel free to contact me at (860) 509-8075

Sincerely,

A handwritten signature in cursive script that reads "J. Schaeffer-Helmecki".

Jessica Schaeffer-Helmecki  
Planning Analyst



Phone: (860) 418-7001 • Fax: (860) 418-7053  
410 Capitol Avenue, P.O. Box 340308  
Hartford, Connecticut 06134-0308  
[www.ct.gov/dph](http://www.ct.gov/dph)

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## Greer, Leslie

---

**From:** Schaeffer-Helmecki, Jessica  
**Sent:** Wednesday, January 25, 2017 9:35 AM  
**To:** Greer, Leslie  
**Cc:** User, OHCA  
**Subject:** FW: EDITED: Deemed Complete 16-32121  
**Attachments:** scan.pdf

Please add to docket for 32121. There is an attachment missing from the response that I will be sending your way momentarily.

---

**From:** Mohrmann, Jaimee [<mailto:jmohrmann@wtbyhosp.org>]  
**Sent:** Thursday, January 19, 2017 4:37 PM  
**To:** Schaeffer-Helmecki, Jessica <[Jessica.Schaeffer-Helmecki@ct.gov](mailto:Jessica.Schaeffer-Helmecki@ct.gov)>  
**Cc:** Ann H. Zucker <[azucker@carmodylaw.com](mailto:azucker@carmodylaw.com)>  
**Subject:** RE: EDITED: Deemed Complete 16-32121

Hello Jessica,

Please see the attached letter from Jim Moylan.

Please let me know if you require anything further.

Thank you,  
Jaimee Mohrmann

*Jaimee Mohrmann*

**Executive Office Liaison**  
**Executive Assistant to Darlene Stromstad**  
Waterbury Hospital  
64 Robbins Street  
Waterbury, CT 06708  
203-573-7101  
[jmohrmann@wtbyhosp.org](mailto:jmohrmann@wtbyhosp.org)



---

**From:** Stromstad, Darlene  
**Sent:** Thursday, January 19, 2017 4:35 PM  
**To:** Mohrmann, Jaimee  
**Subject:** FW: EDITED: Deemed Complete 16-32121

---

**From:** Schaeffer-Helmecki, Jessica [<mailto:Jessica.Schaeffer-Helmecki@ct.gov>]  
**Sent:** Thursday, January 19, 2017 1:51 PM  
**To:** Stromstad, Darlene  
**Cc:** Greer, Leslie; Riggott, Kaila  
**Subject:** EDITED: Deemed Complete 16-32121

Dear Ms. Stromstad:

Attached please find notification that GWHN's application for the transfer of its ownership interest in the Harold Leever Regional Cancer Center to Prospect Medical Holding's (docket number 16-32121) has been deemed complete. Please disregard my last e-mail. The prior version had the date the letter was originally written rather than today's date. Other than that, all is the same.

Thank you and have a good afternoon,

**Jessica Schaeffer-Helmecki, JD, MPA**

Planning Analyst, Office of Health Care Access

Connecticut Department of Public Health

410 Capitol Avenue, MS #13 HCA, Hartford, Connecticut 06134

P: (860) 509-8075 | F: (860) 418-7053 | E: [jessica.schaeffer-helmecki@ct.gov](mailto:jessica.schaeffer-helmecki@ct.gov)



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LEGACY WATERBURY HOSPITAL, INC.

January 19, 2017

State of Connecticut  
Office of Health Care Access  
410 Capitol Avenue,  
P.O. Box 340308  
Hartford, Connecticut 06134-0308  
Attention: Jessica Schaeffer-Helmecki

Re: Certificate of Need Application: Docket Number: 16-32121-CON  
Transfer of The Waterbury Hospital's Interest in The Harold Leever Regional Cancer  
Center, Inc. to a Subsidiary of Prospect Medical Holdings, Inc.

Dear Ms. Schaeffer-Helmecki

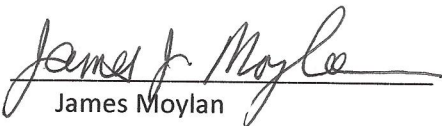
In response to your question to Ms. Stromstad regarding the charity care policy of the Harold Leever Regional Cancer Center, I enclose the current (and long standing) policy of The Waterbury Hospital. The Leever Center has been providing charity care for years and is currently working toward adopting a formal policy. A primary source of that policy will be the attached Waterbury Hospital policy.

As soon as the Leever Center's Board formalizes its charity care policy, we can share it with OHCA.

Very truly yours,

LEGACY WATERBURY HOSPITAL, INC.

By:



James Moylan  
Executive Director

cc. Robert Anthony, Esq.  
Kevin Kniery  
Darlene Stromstad  
Ann H. Zucker, Esq.

## Greer, Leslie

---

**From:** Schaeffer-Helmecki, Jessica  
**Sent:** Wednesday, January 25, 2017 9:35 AM  
**To:** Greer, Leslie  
**Cc:** User, OHCA  
**Subject:** FW: EDITED: Deemed Complete 16-32121  
**Attachments:** charity-care.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Here is the charity care policy attachment missing from the original response

---

**From:** Mohrmann, Jaimee [<mailto:jmohrmann@wtbyhosp.org>]  
**Sent:** Friday, January 20, 2017 8:42 AM  
**To:** Schaeffer-Helmecki, Jessica <[Jessica.Schaeffer-Helmecki@ct.gov](mailto:Jessica.Schaeffer-Helmecki@ct.gov)>  
**Subject:** RE: EDITED: Deemed Complete 16-32121

Hi Jessica,

My apologies, I was supposed to also send the attached policy.

Please let me know if you need anything further.

Thank you,  
Jaimee

*Jaimee Mohrmann*

**Executive Office Liaison**  
**Executive Assistant to Darlene Stromstad**  
Waterbury Hospital  
64 Robbins Street  
Waterbury, CT 06708  
203-573-7101  
[jmohrmann@wtbyhosp.org](mailto:jmohrmann@wtbyhosp.org)



---

**From:** Schaeffer-Helmecki, Jessica [<mailto:Jessica.Schaeffer-Helmecki@ct.gov>]  
**Sent:** Friday, January 20, 2017 8:38 AM  
**To:** Mohrmann, Jaimee  
**Subject:** RE: EDITED: Deemed Complete 16-32121

Good morning, Jaimee. Are there supposed to be additional pages?

---

**From:** Mohrmann, Jaimee [<mailto:jmohrmann@wtbyhosp.org>]  
**Sent:** Thursday, January 19, 2017 4:37 PM  
**To:** Schaeffer-Helmecki, Jessica <[Jessica.Schaeffer-Helmecki@ct.gov](mailto:Jessica.Schaeffer-Helmecki@ct.gov)>  
**Cc:** Ann H. Zucker <[azucker@carmodylaw.com](mailto:azucker@carmodylaw.com)>  
**Subject:** RE: EDITED: Deemed Complete 16-32121

Hello Jessica,

Please see the attached letter from Jim Moylan.

Please let me know if you require anything further.

Thank you,  
Jaimee Mohrmann

*Jaimee Mohrmann*

**Executive Office Liaison**  
**Executive Assistant to Darlene Stromstad**  
Waterbury Hospital  
64 Robbins Street  
Waterbury, CT 06708  
203-573-7101  
[jmohrmann@wtbyhosp.org](mailto:jmohrmann@wtbyhosp.org)



---

**From:** Stromstad, Darlene  
**Sent:** Thursday, January 19, 2017 4:35 PM  
**To:** Mohrmann, Jaimee  
**Subject:** FW: EDITED: Deemed Complete 16-32121

---

**From:** Schaeffer-Helmecki, Jessica [<mailto:Jessica.Schaeffer-Helmecki@ct.gov>]  
**Sent:** Thursday, January 19, 2017 1:51 PM  
**To:** Stromstad, Darlene  
**Cc:** Greer, Leslie; Riggott, Kaila  
**Subject:** EDITED: Deemed Complete 16-32121

Dear Ms. Stromstad:

Attached please find notification that GWHN's application for the transfer of its ownership interest in the Harold Leever Regional Cancer Center to Prospect Medical Holding's (docket number 16-32121) has been deemed complete. Please

disregard my last e-mail. The prior version had the date the letter was originally written rather than today's date. Other than that, all is the same.

Thank you and have a good afternoon,

**Jessica Schaeffer-Helmecki, JD, MPA**

Planning Analyst, Office of Health Care Access

Connecticut Department of Public Health

410 Capitol Avenue, MS #13 HCA, Hartford, Connecticut 06134

P: (860) 509-8075 | F: (860) 418-7053 | E: [jessica.schaeffer-helmecki@ct.gov](mailto:jessica.schaeffer-helmecki@ct.gov)



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WATERBURY HOSPITAL  
ADMINISTRATIVE POLICY & PROCEDURE MANUAL

<b>POLICY: CHARITY CARE</b>		
CATEGORY: MANAGEMENT OF INFORMATION		PAGE (s): 3
OWNER: DIRECTOR, PATIENT ACCOUNTS & FINANCIAL SERVICES		ORIGINATED: 12/5/97 (From PAFS manual)
LAST REVIEWED: 8/15	LAST REVISED: 8/13	RETIRED:

**SCOPE:** Determination of when charity care is appropriate.

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

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

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

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

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

**PROCEDURE:**

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



WATERBURY HOSPITAL  
ADMINISTRATIVE POLICY & PROCEDURE MANUAL

Approved:

\_\_\_\_\_  
Mark Sammartano  
Director, PAFS

\_\_\_\_\_  
Date

Approved:

\_\_\_\_\_  
Jim Moylan  
CFO/VP Finance

\_\_\_\_\_  
Date

## User, OHCA

---

**From:** Schaeffer-Helmecki, Jessica  
**Sent:** Thursday, February 02, 2017 2:15 PM  
**To:** User, OHCA  
**Subject:** FW: Emailing: Legacy-WH Ltr re. Leever Center Charity Care Policy 2.2.2017 (Executed) (S7050548).PDF  
**Attachments:** Legacy-WH Ltr re. Leever Center Charity Care Policy 2.2.2017 (Executed) (S7050548).PDF

Hi Barbara/checker of User\_OHCA,

The attached needs to be added to docket number 16-32121-CON (transfer of ownership of Harold Leever from Waterbury Hospital to Prospect) please. Thank you!

---

**From:** Eileen Neeson [mailto:ENeeson@carmodylaw.com]  
**Sent:** Thursday, February 2, 2017 11:19 AM  
**To:** Schaeffer-Helmecki, Jessica <Jessica.Schaeffer-Helmecki@ct.gov>  
**Cc:** dstromstad@wtbyhosp.org; kknieri@leevercancercenter.org; banthony@stmh.org; Ann H. Zucker <AZucker@carmodylaw.com>; David S. Hardy <DHardy@carmodylaw.com>  
**Subject:** Emailing: Legacy-WH Ltr re. Leever Center Charity Care Policy 2.2.2017 (Executed) (S7050548).PDF

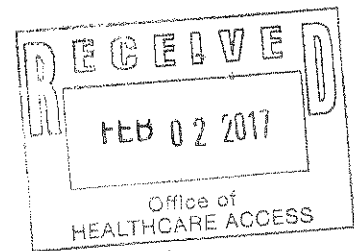
Dear Jessica,

Attached please find a copy of the charity care policy, adopted by the Harold Leever Regional Cancer Center.

I will also forward to you via mail.

Please reach out if you have any questions.

Regards,  
Eileen Neeson  
Assistant to Ann Zucker, Esq.  
203-252-2676



**Eileen Neeson**  
Legal Assistant  
**Carmody Torrance Sandak & Hennessey LLP**  
707 Summer St | Stamford, CT 06901-1026  
Direct: 203-252-2676 | Fax: 203-325-8608  
[ENeeson@carmodylaw.com](mailto:ENeeson@carmodylaw.com) | [www.carmodylaw.com](http://www.carmodylaw.com)

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-----  
HTML

**CARMODY**   
TORRANCE | SANDAK | HENNESSEY LLP

February 2, 2017

Via First Class Mail and Email (*Jessica.Schaeffer-Helmecki@ct.gov*)

State of Connecticut  
Office of Health Care Access  
410 Capitol Avenue,  
P.O. Box 340308  
Hartford, Connecticut 06134-0308  
Attention: Jessica Schaeffer-Helmecki

Re: Certificate of Need Application: Docket Number: 16-32121-CON  
Transfer of The Waterbury Hospital's Interest in The Harold Leever Regional  
Cancer Center, Inc. to a Subsidiary of Prospect Medical Holdings, Inc.

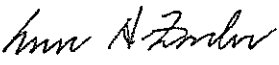
Dear Ms. Schaeffer-Helmecki

I enclose a copy of the charity care policy that has been adopted by the Harold Leever Regional Cancer Center. Please let me know if you have any questions concerning this matter.

Very truly yours,

Carmody Torrance Sandak & Hennessey LLP

By: \_\_\_\_\_

  
Ann H. Zucker

cc. Robert Anthony, Esq.  
Kevin Kniery  
Darlene Stromstad  
James Moylan



THE HAROLD LEEVER  
REGIONAL CANCER CENTER

*A Partnership for Excellence*  
St. Mary's Hospital & Waterbury Hospital

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**POLICY: CHARITY CARE**

**POLICY:**

It is the policy of The Harold Leever Regional Cancer Center to provide assistance in situations where the responsible party of the care does not have the financial resources necessary for their obligation within a reasonable time period.

- 1) All patients to be considered for charity care will be required to apply for public assistance in addition to completing the charity care application. A qualified case worker could determine that the patient may not be eligible for public assistance, not requiring the patient to apply.
- 2) In order to be considered for charity care, full financial disclosure is required including the following:
  - a) All sources of income available at the time of the charity care application;
  - b) Assets excluding:
    - i) Primary residence;
    - ii) Vehicles required for commuting to or facilitating employment;
    - iii) Retirement accounts.
- 3) Responsible parties with assets of \$7,500 or less (\$15,000 for a couple) will receive the following discounts based on their annual household income and the published federal poverty guidelines in effect at the date of application:

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

- 4) Charity care discounts are to be applied after the 50% uninsured discount from charges.
- 5) Documentation required to validate the charity care application shall include:
  - a) Credit report (if available);
  - b) Most recent 1040 tax return;
  - c) Copies of all bank statements (Checking, Savings, Investments, Certificates of Deposit);
  - d) Proof of income for the immediate 12 months preceding the application date;
  - e) Public assistance determination (if applicable).



THE HAROLD LEEVER  
REGIONAL CANCER CENTER

*A Partnership for Excellence*  
St. Mary's Hospital & Waterbury Hospital

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**PROCEDURE:**

- 1) The availability of charity care will be disclosed on all dunning notices issued prior to bad debt assignment.
- 2) Patients who indicate that they are unable to pay for services rendered will be offered charity care.
- 3) The social worker or financial counselor shall evaluate each applicants eligibility.
- 4) Accounts determined eligible for charity care discounts require authorization from the Finance Director or Executive Director.
- 5) Patients shall be issued a determination letter within 30 days of receipt of a completed charity care application.
- 6) Patients who do not qualify or do not apply for charity care will be expected to pay the balance due. For uninsured patients, this will be 50% of charges. Insured patients will be expected to pay all deductibles and co-payment due in addition to 50% of non-covered charges.
- 7) Patients who do not enter into a payment plan or satisfy the balance due will be placed with a collection agency. The collection agency may report the balance due for credit reporting and/or initiate legal action to resolve the balance owed.

Approved: Finance Committee 2-1-17