



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

January 4, 2013

Mr. Bruce Cummings
President and Chief Executive Officer
Lawrence & Memorial Hospital
365 Montauk Avenue
New London, CT 06320

RE: Office of Health Care Access inquiry into the status of certain outpatient services lines

Dear Mr. Cummings:

It has come to the attention of the Department of Public Health, Office of Health Care Access ("OHCA") that Lawrence & Memorial Hospital ("Hospital") may have made or is planning to make significant changes to certain outpatient services that may require OHCA authorization under General Statute §19a-638(a)(4) as termination of services. Specifically, the services that have come to OHCA's attention are **Outpatient Psychiatry, OB/GYN Clinic and AIDS Clinic**. In order for OHCA to understand the on-going provision and operational status of these three outpatient clinic service lines, please provide a response to the following questions for each of the service lines.

1. Please list the specific services that have historically been provided within these three service lines (Outpatient Psychiatry, OB/GYN Clinic and AIDS Clinic) and identify any and all changes that have occurred to any of these specific services recently or within the past year. For example, are all obstetric and/or gynecological services still available within the OB/GYN Clinic? Please be specific as to the dates of all pertinent service changes.
2. Please indicate if any of these service lines, or any of the specific services within these service lines, have been discontinued, relocated or now has substantially reduced hours/staffing or clinical availability. Have any of these services been transferred to another provider, whether affiliated with the Hospital or not. Provide all details regarding such discontinuation, relocation, reduction in availability or transfer of services.
3. If any of these service lines has experienced recent staff reductions, have any services or programs within the service lines been discontinued as a result of staff reductions? Please be specific regarding such service/program discontinuation.

4. For all of the services within these three services lines, will the Hospital continue to be the licensed provider of care, the entity that bills for and receives reimbursement for services and the entity legally liable for patient care? If not, identify all entities that will now be considered the licensed provider of care.
5. For any of the affected clinics, please indicate how the hospital has provided necessary information to the patient population it serves and where those patients must now seek comparable services. How is the Hospital following up with patients to determine on-going patient service needs and issues if service changes have occurred?
6. Attached is a copy of the November 23, 2012 letter which the Manager of the Hospital's Ambulatory Behavioral Health Services sent to patients regarding the transfer of behavioral health care to combined Primary Care/Behavioral Health offices in various locations. Please explain in detail what has transpired related to outpatient behavioral health and the status of accessible care for these patients. Will they receive care by the staff they previously received care from? Will they have to leave their community to receive this care? Please provide specifics regarding these changes.

Please provide a response to the above OHCA inquiry by January 16, 2013. Please contact me at 860-418-7041 if you have any questions on the above.

Sincerely,



Karen Roberts
Principal Health Care Analyst



November 23, 2012

[REDACTED]

Dear [REDACTED]

We are writing to share some good news. L&M Hospital and our Out Patient programs are growing and this will result in expansion and enhancements to our services that will improve the quality of care for you and the community we serve.

In early January 2013 the Counseling Center will transfer all behavioral health care to one of the primary care locations in the New London area. We will have a new integrated model of Behavioral Medicine and Primary Care services at offices in Groton, Ledyard, New London, Niantic, Old Lyme and Stonington. When the new services begin, you will no longer need to be seen at The Counseling Center located on Pond 6, but you can schedule new appointments at the office location of your choice listed above.

You will continue to see your therapists and psychiatrists in the Primary Care/Behavioral Health office. Should you need them, other primary health care services could be available for comprehensive and integrated health care.

Studies have shown that when both medical and behavioral care are delivered together improvements in total health status are maximized and sustained longer resulting in a better quality of life.

Initially, there will be a period of adjustment. During this time you will have the opportunity to integrate your care. Please discuss these changes with the staff at the Counseling Center before the close of 2012. The therapists and psychiatrists are: Robin Dana, Judy Fabricant, Barbara Kremetz, Jim Longo, Dr. Miano, Dr. Talavera-Briggs, and Steven Zuckerman.

We will be in contact with you soon to discuss this new care plan.

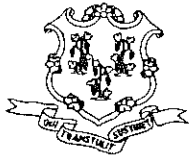
Sincerely,

Rolando T. Martinez, LCSW, LADC
Manager, Ambulatory Behavioral Health Services

*** TX REPORT ***

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TX/RX NO 3237
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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: BRUCE CUMMINGS

FAX: (860) 444-3741

AGENCY: LAWRENCE & MEMORIAL HOSPITAL

FROM: KAREN ROBERTS

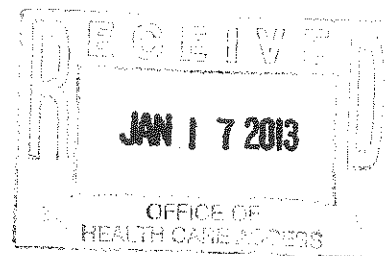
DATE: 1/4/13 TIME: _____

NUMBER OF PAGES: 4
(including transmittal sheet)



Comments: OHCA Inquiry

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.



1/17/13

FAX TRANSMISSION

TO: Karen Roberts

FAX NO.: (860) 418-7053

FROM: Pamela Kane

Number of pages excluding cover sheet: 4

Comments: _____

If there should be a problem with the transmission, please call (860) 442-0711 and speak with Gail Chiappa (ext. 2079) or ~~Karen Santarone (ext. 2223)~~ in Administration.

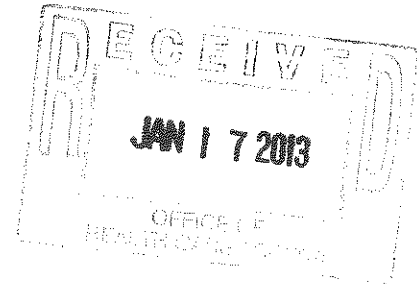
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**L&M LAWRENCE
+ MEMORIAL**

365 Montauk Avenue
New London, CT 06320

January 17, 2013
Via Facsimile and FedEx

Karen Roberts
Principle Health Care Analyst
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308



Re: Office of Health Care Access inquiry into the status of certain outpatient services lines dated January 4, 2013.

Dear Ms. Roberts:

Below are the responses to the Department of Public Health Office of Health Care Access's ("OHCA's") letter dated January 4, 2013.

1. Please list the specific services that have historically been provided within these three service lines (Outpatient Psychiatry, OB/GYN Clinic and AIDS Clinic) and identify any and all changes that have occurred to any of these specific services recently or within the past year. For, example, are all obstetric and/or gynecological services still available within the OB/GYN Clinic? Please be specific as to the dates of all pertinent service changes.

The specific services that have historically been provided within these three service lines are as follows: (i) the Outpatient Psychiatry has historically provided outpatient behavioral medicine counseling services in individual and group sessions; (ii) the OB Clinic has historically provided prenatal and obstetrics services to indigent women as well as those covered by Medicaid in the Lawrence + Memorial Hospital's (the "Hospital's") service area (Docket #10-21644-DTR; Docket #06-03844-DTR); and the AIDS Clinic has historically provided infectious disease outpatient treatment of patients with human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS).

No changes have occurred to any of these specific services recently or within the past year.

2. Please indicate if any of these service lines, or any of the specific services within these service lines, have been discontinued, relocated or now has substantially reduced hours/staffing or clinical availability. Have any of these services been transferred to another provider, whether affiliated with the Hospital or not. Provide all details regarding such discontinuation, relocation, reduction in availability or transfers of services.

None of the service lines or specific services have been discontinued and none of the service lines or specific services have substantially reduced hours, staffing or clinical availability.

Some services have been relocated. Specifically, as noted in L+M's letter to the OHCA dated November 6, 2012 addressed to Kimberly Martone, Director of Operations; Obstetric (OB) services provided on the main campus of the Hospital at 365 Montauk Avenue, New London have relocated and outpatient behavioral medicine counseling services provided on the Hospital campus will be relocated. As of November 16, 2012, the OB Clinic services are now provided at 470 Bank Street, New London. As of January 18, 2013, the outpatient behavioral medicine counseling services will move from a wing of the building referred to as "Pond House" at 365 Montauk Avenue to the Professional Development Center building of the Hospital at 365 Montauk Avenue, New London; 276 Montauk Avenue, New London; 248 Flanders Road, Niantic; 404 Thames Street, Groton; 91 Voluntown Road, Pawcatuck; and 2 Lorenz Industrial Parkway, Ledyard, Connecticut. The infectious disease practice will remain in the same location.

Patients now have greater access to the same care and same providers through new locations where patients can schedule appointments. In the outpatient behavioral medicine counseling service line, individual and group sessions will be conducted at the various locations and the hours of operation remain the same. In the OB Clinic service line, the relocation has not resulted in any changes to services, and in fact, the new location has more hours in which patients can receive services and have access to the providers via telephone. The OB hours of operation at the new location have increased from those previously offered and are Monday through Friday 8:00am to 5:00pm. The former OB Clinic telephone number, 860-444-5130, continues to be in service and has been forwarded to the 470 Bank Street location.

The patient population is being served by the same providers in all of the service lines but some of the providers who were previously employed by Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT") are now employed by L+M Physician Association, Inc. ("L+MPA"). L+MPA is a medical foundation established pursuant to Conn. Gen. Stat. §33-182bb and was disclosed to OHCA on October 13, 2009. L+MPA allows the Hospital to avail itself of the new medical foundation statute.

3. If any of these service lines has experienced recent staff reductions, have any services or programs within the service lines been discontinued as a result of staff reductions? Please be specific regarding such service/program discontinuation.

No services or programs within the service lines have been discontinued as a result of staff reductions. A nurse practitioner position was eliminated in outpatient behavioral medicine counseling services line because a new physician was hired in September 2012 and this new physician adequately covers patient needs.

Further, two non-union staff positions were eliminated in the infectious disease outpatient service line, none of which resulted in a reduction of clinical care, hours or availability of the infection disease services.

4. For all the services within these three services lines, will the Hospital continue to be the licensed provider of care, the entity that bills for and receives reimbursement for services and the entity legally liable for patient care? If not, identify all entities that will now be considered the licensed provider of care.

The Hospital is not the licensed provider of care for these services and does not bill for such services. ASSECT, a captive physician practice entity of the Hospital (See OHCA's *Annual Report on the Financial Status of Connecticut's Short Term Acute Care Hospitals for Fiscal Year 2011*, 61), has been the entity that bills for and receives reimbursement for the services, and is the entity legally liable for the patient care. Some physicians and non-physician providers will now be employed by L+MPA, a medical foundation of the Hospital. L+MPA will now be the billing entity for all services provided to OB patients and will be the billing entity for the outpatient behavioral medicine counseling services. The infectious disease clinic will continue to provide care through and bill out of ASSECT.

5. For any of the affected clinics, please indicate how the Hospital has provided necessary information to the patient population it serves and where those patients must now seek comparable services. How is the Hospital following up with patients to determine on-going patient service needs and issues if service changes have occurred?

ASSECT, the physician practice providing care, has provided the necessary information to the patient population it serves that it is relocating. The OB patients receiving care all received telephone calls regarding the change in location and a sign was posted at the former location. The outpatient counseling patients all received letters and will receive a follow up telephone call to confirm the date, time and location of future appointments.

6. Attached is a copy of the November 23, 2012 letter which the Manager of the Hospital's Ambulatory Behavioral Health Services sent to patients regarding the transfer of behavioral health care to combined Primary Care/Behavioral Health offices in various locations. Please explain in detail what has transpired related to outpatient behavioral health and the status of accessible care for these patients. Will they receive care by the staff they have previously received care from? Will they have to leave their community to receive this care? Please provide specifics regarding these changes.

As stated above, some of the professionals who were employed by ASSECT are now employed by L+MPA. L+MPA was created to allow the Hospital to avail itself of the new medical foundation statute. Again, OHCA received notification on October 13, 2009 of L+MPA's formation. The patients will be able to receive the same outpatient counseling services at new locations starting January 18, 2013 by the same staff and professionals. Patients will not have to leave their community to receive care as outpatient counseling services will now be available in numerous locations in the service area as outlined in the answer to Question 2.

Please contact the undersigned at 860.442.0711 extension 4633 if you have any questions or require additional information.

Thank you.

Very truly yours,



Pamela J. Kane

V.P. Physician Practice Management

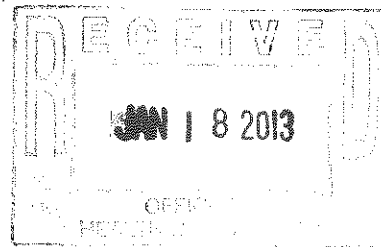
Cc: Bruce Cummings, President and Chief Executive Officer
Michele M. Volpe, Esq.

LM LAWRENCE + MEMORIAL

365 Montauk Avenue
New London, CT 06320

January 17, 2013
Via Facsimile and FedEx

Karen Roberts
Principle Health Care Analyst
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308



Re: Office of Health Care Access inquiry into the status of certain outpatient services lines dated January 4, 2013.

Dear Ms. Roberts:

Below are the responses to the Department of Public Health Office of Health Care Access's ("OHCA's") letter dated January 4, 2013.

1. Please list the specific services that have historically been provided within these three service lines (Outpatient Psychiatry, OB/GYN Clinic and AIDS Clinic) and identify any and all changes that have occurred to any of these specific services recently or within the past year. For, example, are all obstetric and/or gynecological services still available within the OB/GYN Clinic? Please be specific as to the dates of all pertinent service changes.

The specific services that have historically been provided within these three service lines are as follows: (i) the Outpatient Psychiatry has historically provided outpatient behavioral medicine counseling services in individual and group sessions; (ii) the OB Clinic has historically provided prenatal and obstetrics services to indigent women as well as those covered by Medicaid in the Lawrence + Memorial Hospital's (the "Hospital's") service area (Docket #10-21644-DTR; Docket #06-03844-DTR); and the AIDS Clinic has historically provided infectious disease outpatient treatment of patients with human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS).

No changes have occurred to any of these specific services recently or within the past year.

2. Please indicate if any of these service lines, or any of the specific services within these service lines, have been discontinued, relocated or now has substantially reduced hours/staffing or clinical availability. Have any of these services been transferred to another provider, whether affiliated with the Hospital or not. Provide all details regarding such discontinuation, relocation, reduction in availability or transfers of services.

None of the service lines or specific services have been discontinued and none of the service lines or specific services have substantially reduced hours, staffing or clinical availability.

Some services have been relocated. Specifically, as noted in L+M's letter to the OHCA dated November 6, 2012 addressed to Kimberly Martone, Director of Operations; Obstetric (OB) services provided on the main campus of the Hospital at 365 Montauk Avenue, New London have relocated and outpatient behavioral medicine counseling services provided on the Hospital campus will be relocated. As of November 16, 2012, the OB Clinic services are now provided at 470 Bank Street, New London. As of January 18, 2013, the outpatient behavioral medicine counseling services will move from a wing of the building referred to as "Pond House" at 365 Montauk Avenue to the Professional Development Center building of the Hospital at 365 Montauk Avenue, New London; 276 Montauk Avenue, New London; 248 Flanders Road, Niantic; 404 Thames Street, Groton; 91 Voluntown Road, Pawcatuck; and 2 Lorenz Industrial Parkway, Ledyard, Connecticut. The infectious disease practice will remain in the same location.

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3. If any of these service lines has experienced recent staff reductions, have any services or programs within the service lines been discontinued as a result of staff reductions? Please be specific regarding such service/program discontinuation.

No services or programs within the service lines have been discontinued as a result of staff reductions. A nurse practitioner position was eliminated in outpatient behavioral medicine counseling services line because a new physician was hired in September 2012 and this new physician adequately covers patient needs.

Further, two non-union staff positions were eliminated in the infectious disease outpatient service line, none of which resulted in a reduction of clinical care, hours or availability of the infectious disease services.

4. For all the services within these three services lines, will the Hospital continue to be the licensed provider of care, the entity that bills for and receives reimbursement for services and the entity legally liable for patient care? If not, identify all entities that will now be considered the licensed provider of care.

The Hospital is not the licensed provider of care for these services and does not bill for such services. ASSECT, a captive physician practice entity of the Hospital (See OHCA's *Annual Report on the Financial Status of Connecticut's Short Term Acute Care Hospitals for Fiscal Year 2011*, 61), has been the entity that bills for and receives reimbursement for the services, and is the entity legally liable for the patient care. Some physicians and non-physician providers will now be employed by L+MPA, a medical foundation of the Hospital. L+MPA will now be the billing entity for all services provided to OB patients and will be the billing entity for the outpatient behavioral medicine counseling services. The infectious disease clinic will continue to provide care through and bill out of ASSECT.

5. For any of the affected clinics, please indicate how the Hospital has provided necessary information to the patient population it serves and where those patients must now seek comparable services. How is the Hospital following up with patients to determine on-going patient service needs and issues if service changes have occurred?

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Please contact the undersigned at 860.442.0711 extension 4633 if you have any questions or require additional information.

Thank you.

Very truly yours,



Pamela J. Kane

V.P. Physician Practice Management

Cc: Bruce Cummings, President and Chief Executive Officer
Michele M. Volpe, Esq.



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

February 14, 2013

Sent via fax transmission only

Ms. Pamela J. Kane
Vice President, Physician Practice Management
Lawrence + Memorial Hospital
365 Montauk Avenue
New London, CT 06320

RE: OHCA inquiry into the change in operational status of the OB/GYN clinic
Lawrence + Memorial Hospital

Dear Ms. Kane:

On January 17, 2013, the Office of Health Care Access (OHCA) received your response to OHCA's January 4, 2013 inquiry into the status of certain outpatient service lines. OHCA continues to require additional information and/or clarification in this matter and with this letter, is seeking such information regarding the OB/GYN clinic in this letter. Please provide the following additional information regarding that specific service line:

1. In your November 6, 2012 notification of relocation letter sent to OHCA, you indicated that Obstetric (OB) services were being relocated from the Hospital's main campus to a new location and that the services, which at that time were provided by a wholly-owned subsidiary called Associated Specialists of Southeastern Connecticut, Inc., would now be provided by L+M Physician Association, Inc., an affiliated Medical Foundation. You also indicate in the November 6th letter that "such services were historically provided by the Lawrence & Memorial Hospital's OB-GYN Clinic".
 - a. On what date did the Hospital cease being the provider of the OB clinic services (date of last patient visit for which the Hospital was the provider of record)? For example, when did the Hospital stop being the provider which bills for services, receives reimbursement and records activity on the Hospital's books?
 - b. Describe the process that occurred during the timeframe identified in 1(a) above. What changes occurred at that time and how was patient care impacted.
 - c. At the time the Hospital ceased being the direct provider, what payor groups were being accepted into the clinic program? What changed after the transition in terms of payor types accepted?

An Equal Opportunity Provider

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

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

- d. At what point in time did this clinic cease being called the OB-GYN clinic? When did the various gynecological services provided by the Hospital through this clinic (known to OHCA during the CON process for Docket Number 04-30348-CON and the CON determination process under Docket Numbers 06-30844-DTR and 10-31644-DTR) cease and for what reason?
- e. The Hospital reports its outpatient clinic visits to OHCA on the Hospital Reporting System (HRS) Report 450 for each Twelve Months Actual period. At the time the Hospital was the provider of the OB-GYN clinic services, did the Hospital report these clinic visits under Medical Clinic Visits or Specialty Clinic Visits?

Please file a response to the above questions by Thursday, February 28, 2013. Please file an original and two copies of your response document. Contact me at 860-418-7041 if you have any questions on the above.

Sincerely,



Karen Roberts
Principal Health Care Analyst

Copy: Mr. Bruce Cummings, President and CEO, L+M Hospital

*** TX REPORT ***

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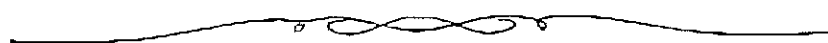
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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: Pamela Kane VP Physician Practice Mngt
FAX: 860-444-3741
AGENCY: Lt M Hospital
FROM: Karen Roberts, OHA
DATE: 2/14/2013 TIME: _____
NUMBER OF PAGES: 3
(including transmittal sheet)

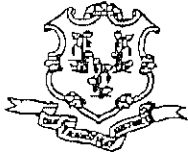


Comments: Status of the
OB-GYN Clinic Services

*** TX REPORT ***

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

FAX SHEET

TO: Bruce Cummings, President + CEO
FAX: 860-444-3741
AGENCY: Lt M Hospital
FROM: Karen Roberts
DATE: 2/14/2013 TIME: _____
NUMBER OF PAGES: 3
(including transmittal sheet)



Comments: Status of OB-GYN Services



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

February 14, 2013

Sent via fax transmission only

Ms. Pamela J. Kane
Vice President, Physician Practice Management
Lawrence + Memorial Hospital
365 Montauk Avenue
New London, CT 06320

RE: OHCA inquiry into the change in operational status of the HIV/AIDS clinic
Lawrence + Memorial Hospital

Dear Ms. Kane:

On January 17, 2013, the Office of Health Care Access (OHCA) received your response to OHCA's January 4, 2013 inquiry into the status of certain outpatient service lines. OHCA continues to require additional information and/or clarification in this matter and with this letter, is seeking such information regarding the HIV/AIDS clinic in this letter. Please provide the following additional information regarding that specific service line:

1. In your January 17, 2013 letter, you indicate that the AIDS Clinic "has historically provided infectious disease outpatient treatment of patients with human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS)." You indicate that the infectious disease practice remains in the same location and that these services are provided by and billed for by Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT"), a hospital affiliated entity.
 - a. Has the HIV/AIDS clinic always been provided directly by ASSECT or was the Hospital the original direct provider of these services?
 - b. If there was a transition from the Hospital to ASSECT as the provider of care, on what date did that transition occur (date of last patient visit for which the Hospital was the provider of record)? For example, when did the Hospital stop being the provider which bills for services, receives reimbursement and records activity on the Hospital's books?
 - c. Describe the process that occurred during the timeframe identified in 1(b) above. What changes occurred at that time and how was patient care impacted.

An Equal Opportunity Provider

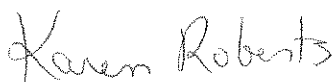
(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)

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

- d. The Hospital reports its outpatient clinic visits to OHCA on the Hospital Reporting System (HRS) Report 450 for each Twelve Months Actual period. At the time the Hospital was the provider of the HIV/AIDS clinic services, did the Hospital report these clinic visits under Medical Clinic Visits or Specialty Clinic Visits?

Please file a response to the above questions by Thursday, February 28, 2013. Please file an original and two copies of your response document. Contact me at 860-418-7041 if you have any questions on the above.

Sincerely,



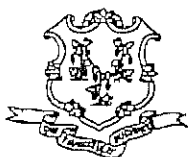
Karen Roberts
Principal Health Care Analyst

Copy: Mr. Bruce Cummings, President and CEO, L+M Hospital

*** TX REPORT ***

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

FAX SHEET

TO: Pamela Kane, VP Physician Practice mgmt.
FAX: 1-860-444-3741
AGENCY: Lt M Hospital
FROM: Karen Roberts, OHCA
DATE: 2/14/2013 TIME: _____
NUMBER OF PAGES: 3
(including transmittal sheet)

Comments:

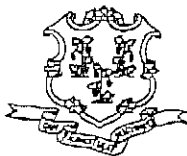
Regarding HIV/AIDS Clinic inquiry

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

*** TX REPORT ***

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

FAX SHEET

TO: Bruce Cummings, President + CEO
FAX: 1-860-444-3741
AGENCY: L+m Hospital
FROM: Karen Roberts, OHCA
DATE: 2/14/2013 TIME: _____
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Comments:
Regarding HIV/AIDS clinic inquiry



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

February 20, 2013

Sent via fax transmission only

Ms. Pamela J. Kane
Vice President, Physician Practice Management
Lawrence + Memorial Hospital
365 Montauk Avenue
New London, CT 06320

RE: OHCA inquiry into the change in operational status of the Outpatient Behavioral Health clinic
Lawrence + Memorial Hospital

Dear Ms. Kane:

On January 17, 2013, the Office of Health Care Access (OHCA) received your response to OHCA's January 4, 2013 inquiry into the status of certain outpatient service lines. OHCA continues to require additional information and/or clarification in this matter and with this letter, is seeking such information regarding the outpatient behavioral health clinic services in this letter. Please provide the following additional information regarding that specific service line:

1. You indicate in your response letter that "*As of January 18, 2013, the outpatient behavioral medicine counseling services will move from a wing of the building referred to as "Pond House" at 365 Montauk Avenue to the Professional Development Center building of the Hospital at 365 Montauk Avenue, New London; 276 Montauk Avenue, New London; 248 Flanders Road, Niantic; 404 Thames Street, Groton; 91 Voluntown Road, Pawcatuck; and 2 Lorenz industrial Parkway, Ledyard*" and that "*individual and group sessions will be conducted at the various locations and the hours of operation remain the same.*" You further indicate that prior to this change Associated Specialists of Southeastern Connecticut, Inc., a wholly-owned subsidiary of the Hospital, was the provider of the services but that L+M Physician Association, Inc., an affiliated Medical Foundation, will now be the billing entity for the outpatient behavioral medicine counseling services.
 - a. On what date did the Hospital cease being the provider of any and all of the outpatient behavioral health clinic services (date of last patient visit for which the Hospital was the provider of record)? For example, when did the Hospital stop being the provider which bills for services, receives reimbursement and records activity on the Hospital's books?

An Equal Opportunity Provider

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

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308

Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

- b. Describe the process that occurred during the timeframe identified in 1(a) above. What changes occurred at that time and how was patient care impacted.
- c. Provide a table which lists any specific behavioral health service subcategories (such as Intensive Outpatient, Day/Evening Treatment, Child or Adolescent Treatment, Substance Abuse Treatment, etc.) and the changes to those clinical subcategories over time:

Specific outpatient behavioral health services	Provided by Lawrence + Memorial Hospital prior to transfer to ASSECT. (check if provided)	Provided by ASSC, Inc. prior to transfer to L+M Physician, Inc. (check if provided)	Currently provided by L+M Physician, Inc. (check if provided)
Intensive Outpatient (for example)			
Day/Evening Treatment			
Child/Adolescent			
Substance Abuse Treatment			
Etc.			

Please file a response to the above questions by Wednesday, March 6, 2013. Please file an original and two copies of your response document. Contact me at 860-418-7041 if you have any questions on the above.

Sincerely,



Karen Roberts
 Principal Health Care Analyst

Copy: Bruce Cummings, President and CEO, L+M Hospital

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 3291
RECIPIENT ADDRESS 918604443741
DESTINATION ID
ST. TIME 02/20 14:08
TIME USE 00'27
PAGES SENT 3
RESULT OK



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

FAX SHEET

TO: Pamela Kane, VP Physician Practice
860-444-3741
FAX: mgmt.
AGENCY: L+m
FROM: Karen Roberts, O+C/A
DATE: 2/20/2013 TIME: _____
NUMBER OF PAGES: 3
(including transmittal sheet)

Comments:

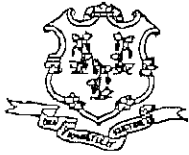
Please see attached regarding O/p Behavioral Health Clinic

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 3292
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DESTINATION ID
ST. TIME 02/20 14:09
TIME USE 00'27
PAGES SENT 3
RESULT OK



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

FAX SHEET

TO: Bruce Cummings, President/CEO
FAX: 860-444-3741
AGENCY: Ltm
FROM: Karen Roberts OHCA
DATE: 2/20/2013 TIME: _____
NUMBER OF PAGES: 3
(including transmittal sheet)

Comments:
Regarding O-P Psych. Clinic Services

Roberts, Karen

From: Roberts, Karen
Sent: Tuesday, February 26, 2013 8:36 AM
To: 'Kathleen Gedney'
Cc: Michele AOL; Bettyanne Toole
Subject: RE: OHCA Inquiry into the Change in Operational Status of the OB/GYN Clinic Lawrence + Memorial Hospital (OHCA letter dated Feb. 14, 2013)

Good Morning Attorney Gedney:

Please be informed that with this email, we are allowing the Hospital the additional time requested to respond to the inquiry letter.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Department of Public Health
Division of Office of Health Care Access
Phone: 860-418-7041
Fax: 860-418-7053
Email: karen.roberts@ct.gov

From: Kathleen Gedney [<mailto:kgg@bvmlaw.com>]
Sent: Monday, February 25, 2013 3:55 PM
To: Roberts, Karen
Cc: Michele AOL; Bettyanne Toole
Subject: Re: OHCA Inquiry into the Change in Operational Status of the OB/GYN Clinic Lawrence + Memorial Hospital (OHCA letter dated Feb. 14, 2013)

Ms. Roberts,

Lawrence and Memorial Hospital ("L+M") respectfully requests an additional 10 days to respond to OHCA's letter dated February 14, 2013 re: *OHCA inquiry into the change in operational status of the OB/GYN clinic Lawrence + Memorial Hospital*. L+M respectfully requests this extension due to several lost work days during and after snowstorm Nemo, having many hospital personnel out due to school vacations last week, and OHCA's request for information regarding a time period significantly in the past.

Thank you.

Best regards,

Kathleen G. Gedney
Attorney at Law
Bershtein, Volpe & McKeon P.C.
105 Court Street, 3rd Floor
New Haven, CT 06511
Tel: (203) 859-6238
Fax: (203) 777-5806
Email: kgg@bvmlaw.com

Roberts, Karen

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Division of Office of Health Care Access
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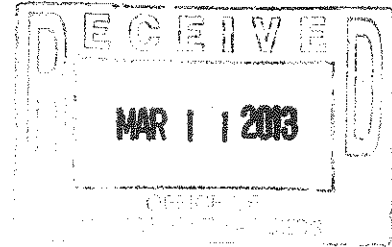
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105 Court Street, 3rd Floor
New Haven, CT 06511
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Fax: (203) 777-5806
Email: kgg@bvmlaw.com

FAX TRANSMISSIONTO: Karen RobertsFAX NO.: 860 418 -7053FROM: Pamela KaneNumber of pages excluding cover sheet: 7Comments: Response To OHCA Inquiry of 2/14/13
Re OB-GYN Clinic, Outpatient Behavioral Health
clinic, HIV/AIDS Clinic

If there should be a problem with the transmission, please call (860) 442-0711 and speak with Gail Chiappa (ext. 2079) or Karen Santacroce (ext. 2223) in Administration.

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**L+M LAWRENCE
+ MEMORIAL**

365 Montauk Avenue
New London, CT 06320

March 11, 2013
Via Facsimile and FedEx

Karen Roberts
Principle Health Care Analyst
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308

Re: OHCA inquiry into the change in operational status of the OB/GYN clinic Lawrence + Memorial dated February 14, 2013.

Dear Ms. Roberts:

Below are the responses to the Department of Public Health Office of Health Care Access's ("OHCA's") letter dated February 14, 2013.

1. In your November 5, 2012 notification of relocation letter sent to OHCA, you indicated that Obstetrics (OB) services were being relocated from the Hospital's main campus to a new location and that the services, which at that time were provided by a wholly-owned subsidiary called Associated Specialists of Southeastern Connecticut, Inc., would now be provided by L+M Physician Association, an affiliated Medical Foundation. You also indicate in the November 6, letter that "such services were historically provided by the Lawrence & Memorial Hospital's OB-GYN Clinic".

- a. On what date did the Hospital cease being the provider of the OB clinic services (date of last patient visit for which the Hospital was the provider of record)? For example, when did the Hospital stop being the provider which bills for services, receives reimbursement and records activity on the Hospital's books?**

The Hospital was the provider that billed for the services and recorded OB Clinic activity on its books until March 2008. Starting in April 2008, Associated Specialists of Southeastern Connecticut ("ASSECT") began billing for OB Clinic Services.

- b. Describe the process that occurred during the timeframe identified in 1 (a) above. What changes occurred at that time and how was patient care impacted.**

There were no changes to the professional services, patient base or payor mix for the OB Clinic in the timeframe identified above in 1(a), only the billing provider changed.

- c. At the time the Hospital ceased being the direct provider, what payor groups were being accepted into the clinical program? What changed after the transition in terms of payor types accepted?**

At the time the Hospital ceased being the direct provider, the OB Clinic accepted all government, commercial, and private payors in the market. As stated above, there were no changes to the types of payor groups accepted as a result of the change from the Hospital to ASSECT.

- d. At what point in time did this clinic cease being called the OB-GYN clinic? When did the various gynecological services provided by the Hospital through this clinic (known to OHCA during the CON process for Docket Number 04-30348-CON and the CON determination process under Docket Numbers 03-30844-DTR and 10-31644-DTR) cease and for what reason?**

The OB Clinic has been referred to by the Hospital under various heading including the OB Clinic, the OB-GYN Clinic and the Prenatal Clinic. No official name change has occurred.

Gynecological services have not ceased. As noted and approved in Docket Number 06-30844-DTR, the need for the GYN services changed when the government programs and payors increased rates to professionals for these services. When the reimbursement rates went up for these services, women in the community were more easily able to obtain a provider to see them and there was significantly less volume in the Clinic for GYN services. The OB Clinic continued to accept GYN patients if the patient was unable to obtain services from a community provider. The OB Clinic remains a safety net provider for GYN patients as provided in Docket Number 06-30844 DTR.

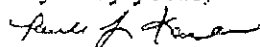
- e. The Hospital reports its outpatient clinic visits to OHCA on the Hospital Reporting System (HRS) Report 450 for each Twelve Months Actual period. At the time the Hospital was the provider of the OB-GYN clinic services, did the Hospital report these clinic visits under Medical Clinic Visits or Specialty Clinic Visits?**

Until March 2008, the Hospital reported OB Clinic visits on Report 450 as Specialty Clinic visits.

Please contact the undersigned at 860.442.0711 extension 4633 if you have any questions or require additional information.

Thank you.

Very truly yours,


Pamela J. Kane

V.P. Physician Practice Management

Cc: Bruce Cummings, President and Chief Executive Officer
Michele M. Volpe, Esq.

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+ MEMORIAL**

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Karen Roberts
Principle Health Care Analyst
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
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Re: OHCA inquiry into the change in operational status of the HIV/AIDS clinic Lawrence + Memorial dated February 14, 2013.

Dear Ms. Roberts:

Below are the responses to the Department of Public Health Office of Health Care Access's ("OHCA's") letter dated February 14, 2013.

1. In your January 17, 2013 letter, you indicate that the AIDS Clinic "has historically provided infectious disease outpatient treatment of patients with human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS)." You indicate that the infectious disease practice remains in the same location and that these services are provided by and billed for by Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT"), a hospital affiliated entity.

- a. Has the HIV/AIDS clinic always been provided directly by ASSECT or was the Hospital the original direct provider of these services?**

The Hospital was the original direct provider of the HIV/AIDS Clinic services.

- b. If there was a transition from the Hospital to ASSECT as the provider of care, on what date did that transition occur (date of last patient visit for which the Hospital was the provider of record)? For example, when did the Hospital stop being the provider which bills for services, receives reimbursement and records activity on the Hospital's books?**

The Hospital was the provider that billed for the services and recorded HIV/AIDS Clinic services on its books until March 2008. Starting in April 2008, Associated Specialists of Southeastern Connecticut ("ASSECT") began billing for HIV/AIDS Clinic services.

- c. Describe the process that occurred during the timeframe identified in 1 (b) above. What changes occurred at that time and how was patient care impacted.**

There were no changes to the services, the professionals, the patient base or the payor mix for the HIV/AIDS Clinic services in the timeframe identified above in 1(b). Only the billing provider changed.

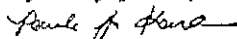
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- c. Provide a table which lists any specific behavioral health service subcategories (such as Intensive Outpatient, Day/Evening Treatment, Child or Adolescent Treatment, Substance Abuse Treatment, etc.) and the changes to those clinical subcategories over time:

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Intensive Outpatient	Still provided through the Hospital & was never moved	Not applicable	Not applicable
Day/Evening Treatment	Not applicable	Not applicable	Not applicable
Child/Adolescent Outpatient Counseling	√	√	√
Substance Abuse Treatment	Not applicable. Hospital is not licensed to provide and never provided substance abuse treatment	Not applicable	Not applicable
ED/Crisis Service	√	√	√
Inpatient Psychiatric Unit Care	Still provided through the Hospital & was never moved	Not applicable	Not applicable

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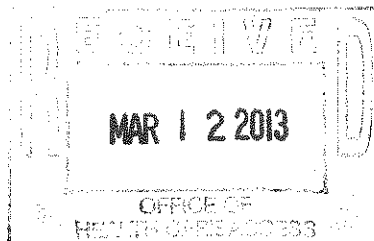
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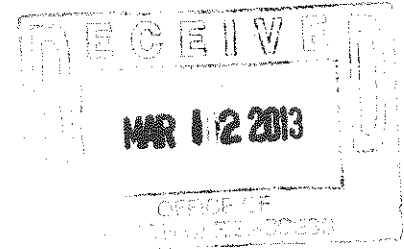
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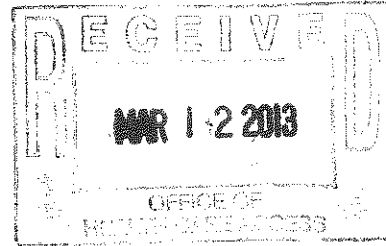
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Child/Adolescent Outpatient Counseling	√	√	√
Substance Abuse Treatment	Not applicable. Hospital is not licensed to provide and never provided substance abuse treatment	Not applicable	Not applicable
ED/Crisis Service	√	√	√
Inpatient Psychiatric Unit Care	Still provided through the Hospital & was never moved	Not applicable	Not applicable

Please contact the undersigned at 860.442.0711 extension 4633 if you have any questions or require additional information.

Thank you.

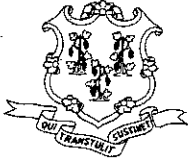
Very truly yours,



Pamela J. Kane

V.P. Physician Practice Management

Cc: Bruce Cummings, President and Chief Executive Officer
Michele M. Volpe, Esq.



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

April 2, 2013

Pamela J. Kane, Vice President
Physician Practice Management
Lawrence & Memorial Hospital
365 Montauk Avenue
New London, CT 06320

RE: Certificate of Need Determination; Report Number 13-31829-DTR
Operational Status of certain outpatient services at or by Lawrence & Memorial Hospital

Dear Ms. Kane:

On January 4, 2013, the Office of Health Care Access ("OHCA") initiated an inquiry regarding the operational status of certain outpatient services at or by Lawrence & Memorial Hospital, namely Outpatient Behavioral Medicine Counseling Services, Obstetrics Clinic Services and HIV/AIDS Clinic Services. On January 17, 2013 and March 11, 2013, OHCA received information from the Hospital in response to OHCA questions. OHCA's determination issued herein is based on the following information:

1. Lawrence & Memorial Hospital, Inc. ("Hospital") is a general hospital licensed by the Department of Public Health under Connecticut General Statutes Chapter 368v and is a health care facility for purposes of Connecticut General Statutes Chapter 368z.
2. Associated Specialists of Southeastern Connecticut, Inc. is an active, non-stock corporation affiliated with the Hospital. It is described by the Hospital as a captive physician practice entity. The following information is found in the notes of the Hospital's FY 2008 audited financial statements regarding this affiliated entity:

"Effective January 1, 2008, Associated Specialists of Southeastern Connecticut, Inc. (Associated Specialists) was established. On April 1, 2008, Associated Specialists began billing under their own provider numbers. This is a wholly owned entity of the Hospital."
3. The term Health Care Facility as defined in Connecticut General Statutes Chapter 368z includes "any parent company, subsidiary, affiliate or joint venture, or any combination thereof, of any such facility or institution."

An Equal Opportunity Provider

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

4. L&M Physician Association, Inc. is an active, non-stock corporation wholly-owned by Lawrence & Memorial Corporation, the parent corporation of the Hospital. In October of 2009, L&M Physician Association, Inc. was formed as a medical foundation pursuant to Connecticut General Statutes §33-182bb, within chapter 594b. Pursuant to Connecticut General Statutes §19a-630(1), the term Affiliate as used in Chapter 368z, "does not include a medical foundation organized under chapter 594b."
5. The Hospital was the provider which billed for and recorded financial and utilization activity on the hospital's books for the following services until the end of March, 2008:
 - Outpatient Behavioral Medicine Counseling Services;
 - Obstetrics Clinic¹ Services;
 - HIV/AIDS Clinic Services.
6. In April, 2008, Associated Specialists began billing for these services under its provider number(s). From April of 2008 until recently, Associated Specialists had been the entity that billed for and received reimbursement for the services and was legally liable for the patient care.
7. L&M Physician Association, Inc. has recently become the billing entity for the Outpatient Behavioral Medicine Counseling Services and the Obstetric Clinic services. Some of the service practitioners (physicians and non-physicians) who were previously employed by Associated Specialists are now employed by L&M Physician Association, Inc.
8. On or around November 16, 2012, the Obstetric Clinic Services were relocated from the Hospital's main campus at 365 Montauk Avenue New London to 470 Bank Street, New London.
9. On or around January 18, 2013, the Outpatient Behavioral Medicine Counseling Services were relocated from a wing of the building referred to as "Pond House" at 365 Montauk Avenue, New London to multiple locations: the Professional Development Center building of the Hospital at 365 Montauk Avenue in New London, 276 Montauk Avenue in New London, 248 Flanders Road in Niantic, 404 Thames Street in Groton, 91 Voluntown Road in Pawcatuck and 2 Lorenz Industrial Parkway in Ledyard.

¹ The Obstetrics Clinic can also be referred to as the OB Clinic, OB-GYN Clinic or the Prenatal Clinic.

10. The HIV/AIDS Clinic Services continue to be provided by and billed for by Associated Specialists and remain in the same location.
11. The Hospital remains the provider of Intensive Outpatient Therapy and Inpatient Psychiatric Unit Care; these services were not transferred to Associated Specialists or to L&M Physician Association.
12. Connecticut General Statutes §19a-638(a)(2) stated the following at the time of the transfer of services which occurred as of April 1, 2008: "Each health care facility or institution or state health care facility or institution, including any inpatient rehabilitation facility, which intends to introduce any additional function or service into its program of health care shall submit to the office, prior to the proposed date of the institution of such function or service, a request for permission to undertake such function or service."
13. Connecticut General Statutes §19a-638(a)(3) stated the following at the time of the transfer of services which occurred as of April 1, 2008: "Each health care facility or institution or state health care facility or institution which intends to terminate a health service offered by such facility or institution or reduce substantially its total bed capacity, shall submit to the office, prior to the proposed date of such termination or decrease, a request to undertake such termination or decrease."
14. The current wording of Connecticut General Statutes §19a-638 (4) requires a Certificate of Need for the termination of inpatient or outpatient services offered by a hospital, including, but not limited to, the termination by a short-term acute care hospital or children's hospital of inpatient and outpatient mental health and substance abuse services.

Based upon a review of the matter outlined above, OHCA determines the following:

- a. Lawrence & Memorial Hospital is required to file a Certificate of Need request for the termination of its Outpatient Behavioral Medicine Counseling Services, Obstetrics Clinic Services and HIV/AIDS Clinic Services in March of 2008.
- b. Associated Specialists of Southeastern Connecticut, Inc., an affiliate of the Hospital and a health care facility, is required to file a Certificate of Need request for the establishment of Outpatient Behavioral Medicine Counseling Services, Obstetrics Clinic Services and HIV/AIDS Clinic Services in April of 2008.

The Certificate of Need requests may be filed as one combined application with the Hospital and Associates Specialists as Applicants. Further, the Applicants should include in the Certificate of Need application any other services that were transferred from the Hospital to Associated Specialists at that time.

As the recent transfer of services in 2012 from Associated Specialists of Southeastern Connecticut, Inc. to the medical foundation, L&M Physician Association, Inc. and the related relocation of services in 2013 did not involve hospital services, the most recent transfers of services and relocations do not require Certificate of Need authorization pursuant to current general statute wording.

If you have any questions regarding the above, please contact Karen Roberts, Principal Health Care Analyst at (860) 418-7001.

Sincerely,



Kimberly R. Martone
Director of Operations, OHCA

KRM:kr

C: Bruce Cummings, President and Chief Executive Officer, Lawrence + Memorial Hospital
Rose McLellan, License and Applications Supervisor, DPH, DHSR

*** TX REPORT ***

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

FAX SHEET

TO: BRUCE CUMMINGS
FAX: (860) 444-3741
AGENCY: LAWRENCE & MEMORIAL HOSPITAL
FROM: KAREN ROBERTS
DATE: 4/3/13 **TIME:** _____
NUMBER OF PAGES: 5
(including transmittal sheet)



Comments: DN: 13-31829-DTR

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

*** TX REPORT ***

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

FAX SHEET

TO: PAMELA J. KANE, VP

FAX: (860) 444-3741

AGENCY: LAWRENCE & MEMORIAL HOSPITAL

FROM: KAREN ROBERTS

DATE: 4/3/13 **TIME:** _____

NUMBER OF PAGES: 5
(including transmittal sheet)



Comments: DN: 13-31829-DTR

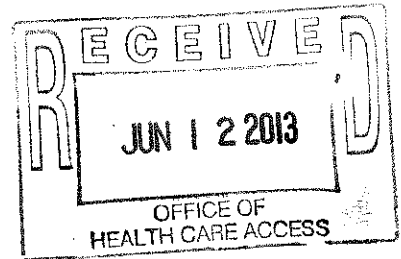
PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.



June 12, 2013

Via Facsimile (860) 418-7053
And Overnight Mail

Kimberly R. Martone
Director of Operations
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308



Re: Certificate of Need Determination; Report 13-31829-DTR
Operational Status of certain outpatient services at or by Lawrence + Memorial Hospital, Inc.

Dear Ms. Martone:

Lawrence + Memorial Hospital, Inc. ("L+M") respectfully requests that the Department of Public Health, Division of Office of Health Care Access ("OHCA") reconsider its position stated in its letter to L+M dated April 2, 2013 that L+M submit a Certificate of Need ("CON") regarding activity occurring in 2008 concerning Outpatient Behavioral Medicine Counseling Services, Obstetrics Clinic Services and HIV/AIDS Clinic Services.

In submitting the forgoing, L+M respectfully disagrees with OHCA's findings that a CON is required. L+M did not terminate or add any functions or services in 2008 with respect to outpatient behavioral medicine counseling services, obstetrics clinic services and infectious disease services (OHCA refers to this as the HIV/AIDS Clinic Services). During the time period in question, most Connecticut hospitals had formed or were forming entities to provide professional services ("Professional Entities"). These Professional Entities were often structured as either captive professional entities controlled by a hospital, or affiliates of the hospital. When the medical foundation statute was passed it was acknowledged by OHCA that these Professional Entities existed and it provided for the merger or conversion of the same into medical foundations. As important, there exists historical documentation within OHCA as well as common information and belief within the Connecticut hospital community and healthcare legal community that hospitals were not historically required to submit a CON application for the formation of entities providing physician services.

Factual Findings

As a preliminary matter, L+M respectfully disagrees that OHCA initiated the correspondence with L+M as stated in the first paragraph of OHCA's letter. L+M initiated contact with OHCA by sending a notification on November 6, 2012 disclosing information to OHCA about moving the location of certain outpatient services provided by Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT"). OHCA responded to L+M's notification on January 4, 2013 with follow up questions.

CON Requirement

L+M respectfully disagrees that a CON is required for the creation of ASSECT in March, 2008 for the professional component of certain outpatient services, including outpatient behavioral medicine counseling services, obstetrics clinic services and infectious disease services. These actions are not the termination or establishment of services or functions and thus do not require a CON under the statute as it was written in March 2008. L+M asserts that restructuring the physician and professional component of such services had no impact on (i) the functions or services provided in the community (ii) the patient population served, (iii) the payor mix, (iv) the physical location of the delivery of the services, or (v) the professionals providing the services. Therefore, the corporate entity change for physician services does not qualify as termination or establishment of services under the statute at that time.

Connecticut General Statute § 19a-638(a)(2), the CON statute in 2008, stated that a CON is required for "each health care facility or institution or state health care facility or institution, including any inpatient rehabilitation facility, which intends to introduce any *additional function or service* into its program..." (emphasis added). L+M did not add any function or service to the outpatient behavioral medicine counseling services, obstetrics clinic or infectious disease services in April 2008; the services remained the same as they were prior to April 2008. The same functions and services in these outpatient programs were offered before and after the professional entity change. The functions and services existed in the same capacity by the same providers offered to the same target patient population as they did after the entity change. The outpatient services were delivered at the same physical location and had the same patient population and payor mix after the professional entity change as they did before. Since no additional functions or services were added and the patient population and payor mix remained the same, no CON is required.

Further, in 2008, Connecticut General Statute § 19a-638(a)(3) stated "each health care facility or institution or state health care facility or institution, including any inpatient rehabilitation facility, which intends to *terminate a health care service* offered by such facility (emphasis added)." This statute is accurately cited in Finding of Fact 13. L+M did not terminate any health care services in the outpatient behavioral medicine counseling services, obstetrics clinic or infectious disease services. All of the services provided by these outpatient programs existed in the same capacity by the same professionals as they did before and after the professional entity change. The patient population and the payor mix remained the same before and after the change. The outpatient services were delivered at the same physical location and the same providers performed the same services to the same target patient population before and after the entity change. Since no services

were terminated, no CON should be required. Please see L+M's correspondence to OHCA dated January 17, 2013 and March 11, 2013 for reference.

Summation

L+M respectfully disagrees that a CON is required for the creation of a separate corporate entity for the professional component of certain outpatient services in March/April of 2008 because there was (i) no change in services or functions provided; (ii) no change in patient population; (iii) no change in payor mix; (iv) no change in the physical location of the delivery of the services; and (v) all of the same services were provided by the same professionals. Based on the foregoing, L+M respectfully requests that OHCA revise its 13-31829-DTR to reflect the facts and issue a Determination that no CON is required.

Please contact the undersigned at 860.442.0711 extension 4633 if you have any questions or require additional information.

Thank you.

Very truly yours,



Pamela J. Kane
V.P. Physician Practice Management

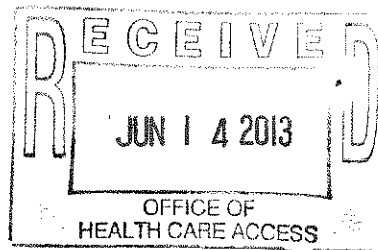
cc: Bruce Cummings, President and CEO
Michele M. Volpe, Esq.



June 12, 2013

Via Facsimile (860) 418-7053
And Overnight Mail

Kimberly R. Martone
Director of Operations
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308



Re: Certificate of Need Determination; Report 13-31829-DTR
Operational Status of certain outpatient services at or by Lawrence + Memorial Hospital, Inc.

Dear Ms. Martone:

Lawrence + Memorial Hospital, Inc. ("L+M") respectfully requests that the Department of Public Health, Division of Office of Health Care Access ("OHCA") reconsider its position stated in its letter to L+M dated April 2, 2013 that L+M submit a Certificate of Need ("CON") regarding activity occurring in 2008 concerning Outpatient Behavioral Medicine Counseling Services, Obstetrics Clinic Services and HIV/AIDS Clinic Services.

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Factual Findings

As a preliminary matter, L+M respectfully disagrees that OHCA initiated the correspondence with L+M as stated in the first paragraph of OHCA's letter. L+M initiated contact with OHCA by sending a notification on November 6, 2012 disclosing information to OHCA about moving the location of certain outpatient services provided by Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT"). OHCA responded to L+M's notification on January 4, 2013 with follow up questions.

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Connecticut General Statute § 19a-638(a)(2), the CON statute in 2008, stated that a CON is required for "each health care facility or institution or state health care facility or institution, including any inpatient rehabilitation facility, which intends to introduce any **additional function or service** into its program..." (emphasis added). L+M did not add any function or service to the outpatient behavioral medicine counseling services, obstetrics clinic or infectious disease services in April 2008; the services remained the same as they were prior to April 2008. The same functions and services in these outpatient programs were offered before and after the professional entity change. The functions and services existed in the same capacity by the same providers offered to the same target patient population as they did after the entity change. The outpatient services were delivered at the same physical location and had the same patient population and payor mix after the professional entity change as they did before. Since no additional functions or services were added and the patient population and payor mix remained the same, no CON is required.

Further, in 2008, Connecticut General Statute § 19a-638(a)(3) stated "each health care facility or institution or state health care facility or institution, including any inpatient rehabilitation facility, which intends to **terminate a health care service** offered by such facility (emphasis added)." This statute is accurately cited in Finding of Fact 13. L+M did not terminate any health care services in the outpatient behavioral medicine counseling services, obstetrics clinic or infectious disease services. All of the services provided by these outpatient programs existed in the same capacity by the same professionals as they did before and after the professional entity change. The patient population and the payor mix remained the same before and after the change. The outpatient services were delivered at the same physical location and the same providers performed the same services to the same target patient population before and after the entity change. Since no services

were terminated, no CON should be required. Please see L+M's correspondence to OHCA dated January 17, 2013 and March 11, 2013 for reference.

Summation

L+M respectfully disagrees that a CON is required for the creation of a separate corporate entity for the professional component of certain outpatient services in March/April of 2008 because there was (i) no change in services or functions provided; (ii) no change in patient population; (iii) no change in payor mix; (iv) no change in the physical location of the delivery of the services; and (v) all of the same services were provided by the same professionals. Based on the foregoing, L+M respectfully requests that OHCA revise its 13-31829-DTR to reflect the facts and issue a Determination that no CON is required.

Please contact the undersigned at 860.442.0711 extension 4633 if you have any questions or require additional information.

Thank you.

Very truly yours,



Pamela J. Kane
V.P. Physician Practice Management

cc: Bruce Cummings, President and CEO
Michele M. Volpe, Esq.



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

October 29, 2013

Ms. Pamela J. Kane
Vice President, Physician Practice Management
Lawrence & Memorial Hospital
365 Montauk Avenue
New London, CT 06320

VIA FACSIMILE ONLY

RE: Certificate of Need Determination; Report Number 13-31829-DTR
Termination of certain outpatient services by Lawrence & Memorial Hospital

Dear Ms. Kane:

On June 12, 2013, the Office of Health Care Access ("OHCA") received your letter regarding the Certificate of Need Determination issued by OHCA under Report Number 13-31829-DTR on April 2, 2013. In your letter, you request that OHCA reconsider and revise the conclusions drawn in that CON Determination. Please be advised that OHCA has reviewed your letter and finds no cause to reconsider or revise the determination previously made. The letter issued by OHCA on April 2, 2013 under Report Number 13-31829-DTR stands as is and the conclusions arrived at by OHCA in that Determination remains in effect.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly R. Martone".

Kimberly R. Martone
Director of Operations

KRM:kr

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



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

FAX SHEET

TO: PAMELA KANE

FAX: 860 444-3741

AGENCY: LAWRENCE & MEMORIAL HOSPITAL

FROM: OHCA

DATE: 10/29/13 Time: _____

NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

See attached letter regarding DN: 13-31829

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

Phone: (860) 418-7001

Fax: (860) 418-7053

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



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

FAX SHEET

TO: BRUCE CUMMINGS

FAX: 860 444-3741

AGENCY: LAWRENCE & MEMORIAL HOSPITAL

FROM: OHCA

DATE: 10/29/13 Time: _____

NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

See attached letter regarding DN: 13-31829

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

Phone: (860) 418-7001

Fax: (860) 418-7053

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

*** TX REPORT ***

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

FAX SHEET

TO: PAMELA KANE

FAX: 860 444-3741

AGENCY: LAWRENCE & MEMORIAL HOSPITAL

FROM: OHCA

DATE: 10/29/13 Time: _____

NUMBER OF PAGES: 2
(including transmittal sheet)

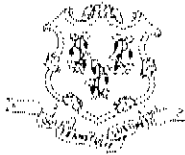
Comments:
See attached letter regarding DN: 13-31829

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

*** TX REPORT ***

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

FAX SHEET

TO: BRUCE CUMMINGS

FAX: 860 444-3741

AGENCY: LAWRENCE J. MEMORIAL HOSPITAL

FROM: OHCA

DATE: 10/29/13 Time: _____

NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

See attached letter regarding DN: 13-31829

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

Greer, Leslie

From: Martone, Kim
Sent: Wednesday, February 26, 2014 8:48 AM
To: Hansted, Kevin; Roberts, Karen; Riggott, Kaila
Cc: Olejarz, Barbara; Greer, Leslie
Subject: FW: Lawrence + Memorial Hospital OHCA Reconsideration
Attachments: OHCA Reconsideration re 2008 02-26-14.dotx; 2008 Filings.pdf

From: Bourque, Karen [<mailto:kbourque@lmhosp.org>] **On Behalf Of** Durand, Crista
Sent: Wednesday, February 26, 2014 7:07 AM
To: Martone, Kim
Cc: Patel, Shraddha; Durand, Crista
Subject: Lawrence + Memorial Hospital OHCA Reconsideration

Dear Ms. Martone,

Lawrence + Memorial Hospital, Inc. ("L+M") has located additional documentation filed with the Department of Public Health, Division of Office of Health Care Access ("OHCA") and therefore respectfully requests that OHCA reconsider its position stated in its letter to L+M dated October 29, 2013 that L+M submit a Certificate of Need ("CON") regarding activity occurring in 2008.

Please find attached two attachments. The first is a letter outlining our position. The second attachment is additional background information to support our position. Should you have any questions, please feel free to reach out to me. Thank you.

Regards,
Crista Durand, VP
Strategic Planning, Marketing & Business Development
Lawrence + Memorial Hospital



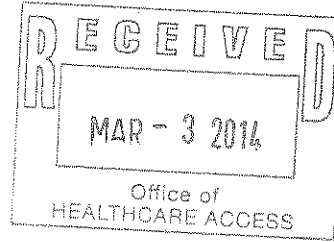
This message (and any included attachments) is from Lawrence + Memorial Corporation, Inc. or one of its affiliates and is intended only for the addressee(s). The information contained herein may include privileged or otherwise confidential information. Unauthorized review, forwarding, printing, copying, distributing, or using such information is strictly prohibited and may be unlawful. If you received this message in error, or have reason to believe you are not authorized to receive it, please promptly delete this message and notify the sender by e-mail.

February 26, 2014

Via Email Kimberly.Martone@ct.gov

Via USPS

Kimberly R. Martone
Director of Operations
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308



Re: Certificate of Need Determination; Report 13-31829-DTR
Operational Status of certain outpatient services at or by Lawrence + Memorial Hospital, Inc.

Dear Ms. Martone:

Lawrence + Memorial Hospital, Inc. ("L+M") has located additional documentation filed with the Department of Public Health, Division of Office of Health Care Access ("OHCA") and therefore respectfully requests that OHCA reconsider its position stated in its letter to L+M dated October 29, 2013 that L+M submit a Certificate of Need ("CON") regarding activity occurring in 2008. This activity specifically concerned Outpatient Behavioral Medicine Counseling Services, Obstetrics Clinic Services and HIV/AIDS Clinic Services and any other services transferred from the hospital to Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT"), a wholly owned subsidiary. L+M requests reconsideration in light of L+M's locating certain pertinent OHCA filings and also in view of all other pre-existing OHCA filings on record for 2008 and attached hereto.

In submitting the forgoing, L+M respectfully disagrees with OHCA's findings that a CON is required. In addition to the arguments put forth in Docket Number 13-31829-DTR wherein L+M stated that no hospital services were terminated or added, L+M would like to inform OHCA of the representations made in its detailed filings from 2008 filed on March 30, 2009 and attached hereto ("2008 Filings") and all other pre-existing OHCA filings on record for the time period in question. The 2008 Filings reflect, in numerous places, that L+M had fully disclosed the formation of a new physician entity, ASSECT, and had restructured the physician and professional component of certain hospital services to ASSECT. OHCA accepted the 2008 Filings and responded to L+M with additional inquiries. (See email from Tillman Foster to L+M dated May 6, 2009 and attached as part of the 2008 Filings.) The 2008 Filings were also reviewed at the highest level as they were requested by Commissioner Vogel to be certified by L+M. (See letter from Commissioner Vogel to L+M dated June 17, 2009 attached as part of the 2008 Filings.) At no time during OHCA's review of the 2008 Filings and follow up inquiry did OHCA require L+M to submit a Determination or CON. At no time during OHCA's review of any of L+M's detailed filings, including organizational charts, did OHCA require L+M to submit a



Determination or CON regarding the transfer of these services. It is not reasonable for OHCA to require a filing now, five years later, when OHCA had full disclosure of the pertinent facts at that time.

During the time period in question, most Connecticut hospitals had formed or were forming entities to provide professional services ("Professional Entities"). It is common information and belief within the Connecticut hospital community and healthcare legal community that hospitals were not historically required to submit a CON application for the formation of entities providing physician services and the transfer of such outpatient services to the Professional Entity. These Professional Entities were often structured as either captive professional entities controlled by a hospital, or affiliates of the hospital. When the medical foundation statute was passed it was acknowledged by OHCA that these Professional Entities existed and it provided for the merger or conversion of the same into medical foundations. As such, ASSECT is a wholly owned subsidiary of L+M and all services provided by the Hospital and ASSECT are still provided in the hospital's community; no services have been terminated or added. It is not reasonable for OHCA to now reconsider its position after five years and specifically after OHCA had the opportunity and detailed information available to review the Professional Entities formations and restructurings.

In sum, L+M respectfully disagrees that a CON is required for the transfer of certain outpatient services in 2008 because, in addition to the arguments set for in L+M's correspondence regarding Docket Number 13-31829-DTR, OHCA's acceptance and review of the detailed 2008 Filings at the highest level did not result in the need for a CON. Based on the foregoing, L+M respectfully requests that OHCA revise 13-31829-DTR to reflect the facts and issue a Determination that no CON is required.

Please contact the undersigned if you have any questions or require additional information.

Thank you.

Very truly yours,

A handwritten signature in cursive script that reads 'Crista G. Durand'.

Crista Durand, Vice President
Strategic Planning, Marketing & Business Development

CD/kb
Attachment (37 pages)

2008 Filings



March 30, 2009

Ms. Christine Vogel
Commissioner
Office of Health Care Access
State of Connecticut
410 Capital Ave, MS #13HCA
P.O. Box 340308
Hartford, Ct 06134-0308

Subject: FY 2008 12-Month Filing
Docket Number: 08-008TM

Dear Ms. Vogel:

Enclosed are Lawrence & Memorial Hospital's FY 2008 12-Month Filing Requirements due March 31, 2009. An original and one copy of each Attachment are enclosed. The Hospital Reporting Systems for the FY 2008 12-Month Filing is closed and available for the Office of Healthcare Access to review.

The Hospital is noting the following items to add clarification to our filing:

- The reconciliation A on Report 500/550/600 is comprised of the following:
\$ 11,197,885 Gross L&M Employee Revenue
- 4,384,745 L&M Employee Allowances
+ 1,332,607 Charity Care that does not meet OHCA's Definition

\$ 8,145,747 Other Adjustments to OHCA Defined Net Revenue

Attached are the following supporting or requested documents:

- Attachment A – A summary of the number of licensed beds and their occupancy covering the periods FY 2006, FY 2007 and FY 2008
- Attachment B – IRS Forms 8868 (Form 990) extension request for the Hospital and L&M Corporation
- Attachment C – The +/- 20% variance explanations required for requested worksheets

The Filing has been completed to the best of our knowledge accurately and in accordance with OHCA's instructions.

Please give Tina DiCioccio or me a call if you have any questions at (860) 442-0711 ext. 2713 or 3871 respectively.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steven F. Kilby".

Steven F. Kilby
Manager of Budget & Reimbursement

Cc: Tillman Foster (Cover Only)



AFFIDAVIT

CERTIFICATION OF THE HOSPITAL'S FY 2008 TWELVE MONTHS
ACTUAL FILING

I, Lugene Inzana, Vice President, CFO
Name Hospital Position Title - CFO

Of Lawrence & Memorial Hospital _____
Hospital

hereafter referred to as "the Hospital", being duly sworn, depose and state that:

1. The information submitted both electronically and in hard copy to the Office of Health Care Access that is contained in the Hospital's FY 2008 Twelve Months Actual Filing concerning its actual results from operations, is to the best of our knowledge true, accurate and consistent with the FY 2008 Twelve Months Actual Filing General Instructions provided to the Hospital by the Office of Health Care Access; and
2. The information submitted to the Office of Health Care Access electronically in the Hospital Reporting System is identical to the information upon which the Hospital's FY 2008 *Report of Independent Accountants on Applying Agreed-Upon Procedures to Report 600* is based.

Lugene A. Inzana 3/30/09
Signature Date

Subscribed and sworn to before me on March 30, 2009
Date

Margaret L. Inzana
Notary Public

My commission expires: Nov. 30, 2010
Date

STATE OF CONNECTICUT

Department of Public Health

License No. 0047

General Hospital

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

Lawrence and Memorial Corporation of New London, CT, d/b/a Lawrence and Memorial Hospital is hereby licensed to maintain and operate a General Hospital.

Lawrence and Memorial Hospital is located at 365 Montauk Avenue, New London, CT 06320

The maximum number of beds shall not exceed at any time:

28 Bassinets

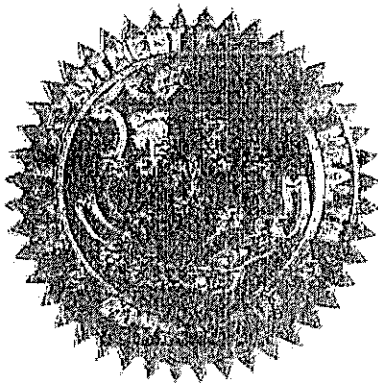
280 General Hospital beds

This license expires **March 31, 2011** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, April 1, 2009. RENEWAL.

Satellites:

Pequot Health Center, 52 Hazelnut Hill Road, Groton, CT
Joslin Diabetes Center, 14 Clara Drive, Mystic, CT



J. Robert Galvin MD, MPH, MBA

J. Robert Galvin, MD, MPH, MBA,
Commissioner

Lawrence & Memorial Hospital
 Bed Availability and Occupancy Percent Summary
 FY 2006 - FY 2008

	FY 2006	FY 2007	FY 2008
Number of Beds			
Available Beds	235	238	238
Available Bassinets	14	14	14
Available Beds & Bassinets	249	252	252
Occupancy Percent			
Available Beds	75.58%	75.72%	77.57%
Available Bassinets	75.56%	73.09%	77.11%
Available Beds & Bassinets	75.58%	75.57%	77.55%

Application for Extension of Time To File an
Exempt Organization Return

Department of the Treasury
Internal Revenue Service

► File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box.
 - If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only.
All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization LAWRENCE & MEMORIAL HOSPITAL	Employer identification number 06-0646704
	Number, street, and room or suite number. If a P.O. box, see instructions. 365 MONTAUK AVENUE,	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW LONDON	CT 06320

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ► Mr. Lugene Inzana

Telephone No. ► (860) 442-0711 FAX No. ► (860) 444-3736

- If the organization does not have an office or place of business in the United States, check this box.
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A. If this is for the whole group, check this box. . If it is for part of the group, check this box. and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until May 15, 20 09, to file the exempt organization return for the organization named above.

The extension is for the organization's return for:

- calendar year 20__ or
- tax year beginning Oct 1, 20 07, and ending Sep 30, 20 08.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

8868 p1- 990: Application for Extension of Time to File (1st Ext) -990/990-EZ

Filing Address Smart Worksheet

Send Form 8868 to: Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0012

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box.
- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only.
All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization		Employer identification number
	LAWRENCE & MEMORIAL CORPORATION		22-2553028
	Number, street, and room or suite number. If a P.O. box, see instructions.		
	365 MONTAUK AVENUE,		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.		
	NEW LONDON		CT 06320

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ Mr. Lou Inzana

Telephone No. ▶ (860) 442-0711 FAX No. ▶ _____

- If the organization does not have an office or place of business in the United States, check this box.
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A. If this is for the whole group, check this box. . If it is for part of the group, check this box. and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until May 15, 2009, to file the exempt organization return for the organization named above.
The extension is for the organization's return for:

- ▶ calendar year 20__ or
- ▶ tax year beginning Oct 1, 2007, and ending Sep 30, 2008.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

8868 p1- 990: Application for Extension of Time to File (1st Ext) -990/990-EZ

Filing Address Smart Worksheet

Send Form 8868 to: Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0012

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 100 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.8	Prepaid expenses Explanation: <i>Several Vendors were prepaid in FY 2008 that were not prepaid in FY 2007</i>	1,400,100	1,906,505	506,405	36%
I.B.1	Held by Trustee Explanation: <i>Specific Trust Fund increased by \$2.7 million from prior year</i>	10,618,087	12,999,368	2,381,281	22%
I.C.3	Construction in Progress Explanation: <i>The increase for FY 2008 projects is due to the installation of several projects in process to be completed in FY 2009</i>	4,630,216	7,377,180	2,746,964	59%
II.A.1	Accounts Payable and Accrued Expenses Explanation: <i>Vouchers payable increased 4,850,000 from prior year & Accrued W/C increased by \$700,000</i>	21,653,021	27,415,287	5,762,266	27%
II.A.3	Due to Third Party Payers Explanation: <i>Anticipated Liabilities due to Medicare RAC audits and cost report settlements</i>	4,675,713	7,993,615	3,317,902	71%
II.A.4	Due to Affiliates Explanation: <i>Pending intercompany settlements</i>	879,039	573,153	(305,886)	-35%
II.B.3	Accrued Pension Liability Explanation: <i>Accrued Pension per Actuarial Report adjustment at year end</i>	16,597,984	20,629,212	4,031,228	24%

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 150 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
A.3	Charity Care Explanation: <i>With more patients qualifying for Charity Care, the amount granted, increased</i>	3,341,408	4,316,427	975,019	29%
A.5	Other Operating Revenue Explanation: <i>Other Operating Revenue increased due to additional rental income from offsites, purchased outside services from affiliates, and fringe benefits.</i>	8,687,106	11,202,386	2,515,280	29%
A.6	Net Assets Released from Restriction Explanation: <i>Lamb's (Lawrence & Memorial Benefactors Society) donated \$100,000 towards the purchase of equipment for digital mammography.</i>	320,734	422,147	101,413	32%
B.3	Physicians Fees Explanation: <i>Decreased operating hours of the OB Clinic. Hospitalists group took over weekend and house coverage. Physicians moved to Associated Specialists.</i>	1,247,076	980,092	(266,984)	-21%
B.6	Bad Debts Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience.</i>	13,840,182	16,889,650	3,149,468	23%
B.8	Malpractice Explanation: <i>Malpractice expense is adjusted to actuarial report at year end</i>	7,601,097	3,355,337	(4,245,760)	-56%
C.1	Income from Investments Explanation: <i>Stock market has decreased significantly and our investments are not earning as much income as prior years.</i>	5,832,708	1,675,251	(4,157,457)	-71%

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 165 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
I.A.2	Inpatient Gross Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	2,255,015	5,077,006	2,811,991	124%
I.A.3	Inpatient Gross Revenue - Medicaid Explanation: <i>Medicaid discharges increased by 63% and patient days by 35%. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	9,618,451	13,980,627	4,362,176	45%
I.B.2	Outpatient Gross Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	2,018,067	4,712,345	2,694,278	134%
I.B.3	Outpatient Gross Revenue - Medicaid Explanation: <i>Medicaid outpatients visits increased by 22%. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	7,538,803	10,127,088	2,588,285	34%
I.C.2	Total Gross Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	4,283,082	9,789,351	5,506,269	129%
I.C.3	Total Gross Revenue - Medicaid Explanation: <i>Overall Medicaid volume increased in FY 2008 over FY 2007. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	17,157,254	24,107,715	6,950,461	41%
II.A.2	Inpatient Net Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	1,142,703	2,303,834	1,161,131	102%
II.A.3	Inpatient Net Revenue - Medicaid Explanation: <i>Medicaid discharges increased by 63% and patient days by 35%. This increase along with increases in payments caused Net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	3,159,678	6,769,202	3,609,524	114%
II.A.6	Inpatient Net Revenue - Commercial Insurance Explanation: <i>Commercial Discharges decreased by 27% from 2007 and Patient Days were down 6% from the previous year. The Volume decreases equate to less payments</i>	8,768,468	6,315,941	(2,452,527)	-28%
II.B.2	Outpatient Net Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	675,245	1,511,249	836,004	124%
II.B.3	Outpatient Net Revenue - Medicaid Explanation: <i>Medicaid outpatients visits increased by 22%. This increase along with increases in prices and the mix of procedures utilized by patients caused net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	2,287,273	2,882,154	594,881	26%
II.C.2	Total Net Revenue - Medicare Managed Care Explanation:	1,817,948	3,814,083	1,996,135	110%

Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.

II.C.3	Total Net Revenue - Medicaid Explanation: <i>Overall Medicaid volume increased in FY 2008 over FY 2007. This increase along with increases in prices and the mix of procedures utilized by patients caused net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	5,446,951	9,651,356	4,204,405	77%
III.A.2	Discharges - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	148	264	116	78%
III.A.3	Discharges - Medicaid Explanation: <i>One factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents qualifying for Medicaid benefits</i>	647	1,052	405	63%
III.A.6	Discharges - Commercial Insurance Explanation: <i>Commercial Discharges decreased by 27% from 2007. Fewer patients needing Hospital services.</i>	965	703	(262)	-27%
III.B.6	Patient Days - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	773	1,529	756	98%
III.B.8	Patient Days - Worker's Compensation Explanation: <i>There were fewer Worker Comp Cases requiring inpatient treatment and those that did did not have as long a length of stay</i>	372	279	(93)	-25%
III.B.9	Patient Days - Self Pay / Uninsured Explanation: <i>Fewer Self Pay Patients and the ones that were here used fewer patient days</i>	1,196	914	(282)	-24%
III.B.11	Patient Days - Other Explanation: <i>Fewer Other Patients presented for care and the ones that were here used fewer patient days</i>	242	191	(51)	-21%
III.C.2	Outpatient Visits - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	3,649	8,292	4,443	115%
III.C.3	Outpatient Visits - Medicaid Explanation: <i>Medicaid outpatients visits increased by 22% . Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	12,856	15,721	2,865	22%
IV.A.2	ER Dpt. Outpatient Gross Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	219,151	492,061	272,910	125%
IV.A.3	ER Dpt. Outpatient Gross Revenue - Medicaid Explanation: <i>Medicaid ER visits increased by 60% . This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	2,193,355	3,649,901	1,456,546	66%
IV.B.2	ER Dpt. Outpatient Net Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This Increase in enrollees caused an increase in volumes, revenue and payments.</i>	73,377	152,543	79,166	108%
IV.B.3	ER Dpt. Outpatient Net Revenue - Medicaid Explanation:	558,342	876,123	317,781	57%

Medicaid ER visits increased by 50% . This increase along with increases in prices and the mix of procedures utilized by patients caused net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.

IV.C.2	ER Dpt. Outpatient Visits - Medicare Managed Care	223	447	224	100%
	Explanation:				
	<i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
IV.C.3	ER Dpt. Outpatient Visits - Medicaid	2,793	4,194	1,401	50%
	Explanation:				
	<i>Medicaid outpatients visits increased by 50% . Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 175 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.2	Physician Salaries Explanation: <i>Doctors joined Associated Specialists</i>	7,977,135	3,783,245	(4,193,890)	-53%
I.B.2	Physician Fringe Benefits Explanation: <i>Doctors joined Associated Specialists</i>	2,017,299	1,005,939	(1,011,360)	-50%
I.C.2	Physician Fees Explanation: <i>Decreased operating hours of the Obsterics Clinic. Hospitalist group took over weekend and house coverage. Physicians joined Associated Specialists.</i>	1,247,076	980,092	(266,984)	-21%
I.F.1	Bad Debts Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	13,840,182	16,989,651	3,149,469	23%
I.H.1	Malpractice Insurance Cost Explanation: <i>Malpractice expense is adjusted to actuarial report at year end</i>	7,601,097	3,355,336	(4,245,761)	-56%
I.I.1	Water Explanation: <i>Accounts Payable timing - FY07 included expense for Q4 FY06 + FY07.</i>	180,826	126,554	(54,272)	-30%
I.I.3	Oil Explanation: <i>Milder winter from 2007, reduced usage</i>	44,786	23,939	(20,847)	-47%
I.J.1	Accounting Fees Explanation: <i>Increase in audit fees</i>	111,285	173,967	62,682	56%
I.J.3	Consulting Fees Explanation: <i>JA Thomas (Clinical documentation specialists) and Surgical Directions (Operational and Finacial Surgical Consultants)</i>	1,193,017	2,346,385	1,153,368	97%
I.J.7	Repairs and Maintenance Explanation: <i>Hardware & Software Maintenance (\$1.6 million) were included at J16 Other in FY07. Maintenance contract expense increased \$500,000</i>	3,008,217	5,191,940	2,183,723	73%
I.J.10	Conferences Explanation: <i>Increase in training/off site conferences for non-clinical employees in billing, HR, Biomed and IS</i>	175,629	276,245	100,616	57%
I.J.10	Property Tax Explanation: <i>Increase in payments to towns for property leased to the Hospital</i>	74,517	95,123	20,606	28%
I.J.13	Licenses and Subcriptions Explanation: <i>Licensing fees decreased due to physician moved to Associated Specialists</i>	371,956	290,315	(81,641)	-22%
I.J.16	Business Expenses Explanation: <i>Increase in physician recruitment costs and Purchased Services for Associated Specialist</i>	14,738,297	18,068,301	3,330,004	23%
I.K.1	Miscellaneous Other Operating Expenses Explanation: <i>Net Assets released from restriction - LAMBS donated \$100,000 towards the purchase of equipment for digital mammography.</i>	320,734	422,147	101,413	32%

II.A.3	Patient Billing & Collection Explanation: <i>Significant increase in staff in FY08 in order to increase collections and better serve patients. Also began using Accuro consultants for chargemaster review</i>	1,951,707	2,524,913	573,206	29%
II.A.5	Data Processing Explanation: <i>Increase in 7 FTEs in FY08 as Hospital increased IT capabilities. All Hospital & offsite telephone expenses were moved to this dept in FY08 (\$542,000)</i>	3,894,614	5,317,680	1,423,066	37%
II.A.6	Communications Explanation: <i>Expenses for the Hospital's main telephone exchange were moved to line A5 in FY08 resulting in a decrease of \$350,000 to this department</i>	824,337	432,725	(391,612)	-48%
II.B.1	Medical Care Administration Explanation: <i>Dept Chair retired in FY08 and expense includes pay out of accrued benefit time</i>	331,974	401,925	69,951	21%
II.C.3	Anesthesiology Explanation: <i>Hospital negotiated a new contract with an anesthesiologist group</i>	724,481	526,727	(197,754)	-27%
II.C.9	CT Scan Explanation: <i>Added 2nd scanner in FY08, increased hours of service and associated supply expense</i>	1,631,063	1,990,750	359,687	22%
II.C.22	Psychiatry / Psychology Services Explanation: <i>Doctors, APRNs and some Counselors joined Associated Specialists</i>	2,375,341	1,826,547	(548,794)	-23%
II.C.31	Cardiac Catheterization/Rehabilitation Explanation: <i>Hospital began to provide emergency angioplasty in FY08. Expense associated with the physician contract and supplies increased.</i>	3,035,255	3,940,339	905,084	30%
II.D.8	Neonatal ICU Explanation: <i>The NICU experienced a 20% decrease in patient volume in FY08, staffing & supply expense were adjusted accordingly.</i>	3,472,350	2,680,385	(791,965)	-23%
II.D.13	Other Routine Services Explanation: <i>Increased focus in FY08 on Physician Recruitment and Retention as many of our community physicians are nearing retirement.</i>	1,411,975	2,317,918	905,943	64%

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 REPORT 200 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.1	ANTHEM - MEDICARE BLUE CONNECTICUT Inpatient Charges Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	316,934	616,008	299,074	94%
I.A.2	ANTHEM - MEDICARE BLUE CONNECTICUT Inpatient Payments Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	148,243	320,213	171,970	116%
I.A.3	ANTHEM - MEDICARE BLUE CONNECTICUT Outpatient Charges Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	379,806	865,180	485,374	128%
I.A.4	ANTHEM - MEDICARE BLUE CONNECTICUT Outpatient Payments Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	133,109	246,737	113,628	85%
I.A.5	ANTHEM - MEDICARE BLUE CONNECTICUT Discharges Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	21	35	14	67%
I.A.6	ANTHEM - MEDICARE BLUE CONNECTICUT Patient Days Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	96	173	77	80%
I.A.7	ANTHEM - MEDICARE BLUE CONNECTICUT Outpatient Visits (Excludes ED Visits)	704	1,489	785	112%

Explanation:

Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.

I.A.8	ANTHEM - MEDICARE BLUE CONNECTICUT Emergency Department Outpatient Visits	26	75	49	188%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.A.9	ANTHEM - MEDICARE BLUE CONNECTICUT Emergency Department Inpatient Admissions	9	13	4	44%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D. 1	HEALTHNET OF CONNECTICUT Inpatient Charges	1,948,081	4,083,659	2,135,578	110%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.2	HEALTHNET OF CONNECTICUT Inpatient Payments	994,460	1,869,624	875,164	88%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.3	HEALTHNET OF CONNECTICUT Outpatient Charges	1,552,661	3,592,171	2,039,510	131%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.4	HEALTHNET OF CONNECTICUT Outpatient Payments	520,386	1,154,005	633,619	122%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.5	HEALTHNET OF CONNECTICUT Discharges	127	214	87	69%
	Explanation:				

Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.

I.D.6	HEALTHNET OF CONNECTICUT Patient Days	677	1,253	576	85%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.7	HEALTHNET OF CONNECTICUT Outpatient Visits (Excludes ED Visits)	2,861	5,917	3,056	107%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.8	HEALTHNET OF CONNECTICUT Emergency Department Outpatient Visits	188	337	149	79%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.9	HEALTHNET OF CONNECTICUT Emergency Department Inpatient Admissions	78	127	49	63%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.E.3	OTHER MEDICARE MANAGED CARE Outpatient Charges	85,600	-	(85,600)	-100%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.E.4	OTHER MEDICARE MANAGED CARE Outpatient Payments	21,750	-	(21,750)	-100%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.E.7	OTHER MEDICARE MANAGED CARE Outpatient Visits (Excludes ED Visits)	61	-	(61)	-100%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				

I.F.8	OTHER MEDICARE MANAGED CARE	9	-	(9)	-100%
	Emergency Department Outpatient Visits				

Explanation:

Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.

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(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.3	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Outpatient Charges Explanation: <i>Medicaid outpatients visits increased by 37% . This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	5,033,220	8,165,994	3,132,774	62%
I.A.4	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Outpatient Payments Explanation: <i>Medicaid outpatients visits increased by 37% . This increase along with increases in prices and the mix of procedures utilized by patients caused payments to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	1,555,192	2,765,511	1,210,319	78%
I.A.5	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Discharges Explanation: <i>One factor increasing Anthem Blue Cross volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid benefit . Also the population could have required more care</i>	378	477	99	26%
I.A.7	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Outpatient Visits (Excludes ED Visits) Explanation: <i>One factor increasing Anthem Blue Cross volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid benefit . Also the population could have required more care.</i>	5,756	7,857	2,101	37%
I.A.8	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Emergency Department Outpatient Visits Explanation: <i>One factor increasing Anthem Blue Cross volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid benefit . Also the population could have required more care.</i>	3,340	4,681	1,341	40%
I.A.9	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Emergency Department Inpatient Admissions Explanation:	50	75	25	50%

One factor increasing Anthem Blue Cross volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid benefit . Also the population could have required more care.

I.B.1	COMMUNITY HEALTH NETWORK OF CT Inpatient Charges	2,347,229	3,557,671	1,210,442	52%
	Explanation: <i>Community HN of CT discharges increased by 58% . This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.B.2	COMMUNITY HEALTH NETWORK OF CT Inpatient Payments	454,273	925,560	471,287	104%
	Explanation: <i>Community HN of CT discharges increased by 58% . This increase along with increases in prices and the mix of procedures utilized by patients caused payments to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.B.3	COMMUNITY HEALTH NETWORK OF CT Outpatient Charges	2,388,259	4,977,122	2,588,863	108%
	Explanation: <i>Medicaid outpatients visits increased by 107% . This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.B.4	COMMUNITY HEALTH NETWORK OF CT Outpatient Payments	718,621	1,531,808	813,187	113%
	Explanation: <i>CHHof CT outpatients visits increased by 107% . This increase along with increases in prices and the mix of procedures utilized by patients caused payments to increase 113%. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.B.5	COMMUNITY HEALTH NETWORK OF CT Discharges	208	328	120	58%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population could have required more care</i>				
I.B.6	COMMUNITY HEALTH NETWORK OF CT Patient Days	825	1,122	297	36%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population could have required more care</i>				

I.B.7	COMMUNITY HEALTH NETWORK OF CT Outpatient Visits (Excludes ED Visits)	2,373	4,913	2,540	107%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population may have required or sought more care.</i>				
I.B.8	COMMUNITY HEALTH NETWORK OF CT Emergency Department Outpatient Visits	1,788	2,979	1,191	67%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population may have required or sought more care.</i>				
I.B.9	COMMUNITY HEALTH NETWORK OF CT Emergency Department Inpatient Admissions	46	63	17	37%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population may have required or sought more care.</i>				
I.C.1	HEALTHNET OF THE NORTHEAST, INC. Inpatient Charges	5,353,054	3,831,543	(1,521,511)	-28%
	Explanation: <i>Healthnet discharges decreased by 49% . This decrease along with increases in prices and the mix of procedures utilized by patients caused revenue to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.C.2	HEALTHNET OF THE NORTHEAST, INC. Inpatient Payments	1,623,536	1,039,342	(584,194)	-36%
	Explanation: <i>Healthnet discharges decreased by 49% . This decrease along with increases in prices and the mix of procedures utilized by patients caused payments to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.C.3	HEALTHNET OF THE NORTHEAST, INC. Outpatient Charges	8,582,723	4,673,270	(3,909,453)	-46%
	Explanation: <i>HEALTHNET Outpatients visits decreased by 46% . This decrease along with increases in prices and the mix of procedures utilized by patients caused revenue to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.C.4	HEALTHNET OF THE NORTHEAST, INC. Outpatient Payments	3,134,334	1,668,926	(1,465,408)	-47%
	Explanation:				

Healthnet outpatients visits decreased by 46% . This decrease along with increases in prices and the mix of procedures utilized by patients caused paymentx to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.

I.C.5	HEALTHNET OF THE NORTHEAST, INC. Discharges	597	307	(290)	-49%
	Explanation: <i>Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.C.6	HEALTHNET OF THE NORTHEAST, INC. Patient Days	1,884	1,089	(795)	-42%
	Explanation: <i>Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.C.7	HEALTHNET OF THE NORTHEAST, INC. Outpatient Visits (Excludes ED Visits)	8,508	3,973	(4,535)	-53%
	Explanation: <i>Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.C.8	HEALTHNET OF THE NORTHEAST, INC. Emergency Department Outpatient Visits	5,862	2,729	(3,133)	-53%
	Explanation: <i>Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.C.9	HEALTHNET OF THE NORTHEAST, INC. Emergency Department Inpatient Admissions	101	66	(35)	-35%
	Explanation: <i>Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.F.1	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Inpatient Charges	859,673	327,878	(531,795)	-62%
	Explanation: <i>First Choice/Pref One discharges decreased by 55% . This decrease along with increases in prices and the mix of procedures utilized by patients caused revenue to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.F.2	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Inpatient Payments	186,414	82,842	(103,572)	-56%
	Explanation: <i>First Choice/Pref One discharges decreased by 55% . This decrease along with increases in prices and the mix of procedures utilized by patients caused payments to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.F.3	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Outpatient Charges	607,498	313,380	(294,118)	-48%
	Explanation:				

Medicaid outpatients visits decreased by 48% . This decrease along with increases in prices and the mix of procedures utilized by patients caused revenue to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.

I.F.4	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Outpatient Payments	182,677	98,872	(83,805)	-46%
	Explanation: <i>Medicaid outpatients visits decreased by 48% . This decrease along with increases in prices and the mix of procedures utilized by patients caused paymentx to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.F.5	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Discharges	55	25	(30)	-55%
	Explanation: <i>Another factor decreasing traditional 1st Choice of CT, Preferred One volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.F.6	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Patient Days	267	109	(158)	-59%
	Explanation: <i>Another factor decreasing traditional 1st Choice of CT, Preferred One volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.F.7	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Outpatient Visits (Excludes ED Visits)	517	287	(230)	-44%
	Explanation: <i>Another factor decreasing traditional 1st Choice of CT, Preferred One volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.F.8	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Emergency Department Outpatient Visits	547	222	(325)	-59%
	Explanation: <i>Another factor decreasing traditional 1st Choice of CT, Preferred One volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				

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(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.8	Prepaid Expenses Explanation: <i>Several Vendors were prepaid in FY 2008 that were not prepaid in FY 2007</i>	1,559,212	2,026,185	466,973	30%
I.B.1	Held by Trustee Explanation: <i>Specific Trust Fund increased by \$2.7 million from prior year</i>	10,618,087	12,999,368	2,381,281	22%
I.C.3	Construction in progress Explanation: <i>The increase for FY 2008 project is due to the installation of a second CT Scan machine, simulator replacement and several ongoing Information Services projects.</i>	4,630,216	7,377,180	2,746,964	59%
II.A.1	Accounts Payable and Accrued Expenses Explanation: <i>Vouchers payable increased 4,850,000 frm prior year & Accrued W/C increased by \$750,000</i>	22,924,414	29,533,933	6,609,519	29%
II.A.3	Due To Third Party Payers Explanation: <i>Anticipated Liabilities due to Medicare RAC audits and cost report settlements</i>	4,809,010	8,126,913	3,317,903	69%
II.A.4	Due to Affiliates Explanation: <i>Intercompany analysis was not forgiven/settled until FY 2009 which caused last Q in 2008 to be a little higher than average</i>	194,629	422,911	228,282	117%
II.A.7	Other Current Liabilities Explanation: <i>Change in deferred revenue</i>	531,513	398,376	(133,137)	-25%
II.B.3	Accrued Pension Liability Explanation: <i>Accrued Pension per Actuarial Report adjustment at year end</i>	16,600,505	20,631,280	4,030,775	24%
II.C.2	Temporarily Restricted Net Assets Explanation: <i>Change in reserves. Also, endowment income decreased significantly due to stock and bond market changes.</i>	10,133,953	7,811,297	(2,322,656)	-23%

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 REPORT 350 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
A.3	Less: Charity Care Explanation: <i>With more patients qualifying for Charity Care the amount granted, increased</i>	3,341,408	4,316,427	975,019	29%
A.5	Net Assets Released from Restrictions Explanation: <i>Lambs (Lawrence & Memorial Benefactors Society) donated \$100,000 towards the purchase of equipment for digital mammography.</i>	320,734	422,147	101,413	32%
B.6	Bad Debts Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	14,735,350	18,131,375	3,396,025	23%
B.8	Malpractice Explanation: <i>Malpractice expense is adjusted to actuarial report at year end</i>	7,601,865	3,355,336	(4,246,529)	-56%
C.1	Income from Investments Explanation: <i>Stock market has decreased significantly and our investments are not earning as much income as prior years.</i>	6,182,499	1,454,613	(4,727,886)	-76%
C.3	Other Non- Operating Gains/(Losses) Explanation: <i>Changes in bond and Stock market affected values</i>	250,571	322,958	72,387	29%

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REPORT 400 VARIANCE ANALYSIS

(1)	(2)	(3)	(4)	(5)	(6)
<u>LINE</u>	<u>DESCRIPTION</u>	<u>FY 2007 AMOUNT</u>	<u>FY 2008 AMOUNT</u>	<u>AMOUNT DIFFERENCE</u>	<u>% DIFFERENCE</u>
8	Neonatal ICU	2,908	2,335	(573)	-20%
	Explanation:				
	<i>Inpatient NICU days decreased in FY08. Not as many newborns requiring this care</i>				

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 REPORT 450 VARIANCE ANALYSIS

<u>(1)</u> <u>LINE</u>	<u>(2)</u> <u>DESCRIPTION</u>	<u>(3)</u> <u>FY 2007</u> <u>AMOUNT</u>	<u>(4)</u> <u>FY 2008</u> <u>AMOUNT</u>	<u>(5)</u> <u>AMOUNT</u> <u>DIFFERENCE</u>	<u>(6)</u> <u>%</u> <u>DIFFERENCE</u>
B.3	MRI Scans (A) Emergency Department Scans Explanation: <i>More utilization for ER patients</i>	54	101	47	87%
D.1	PET/CT Scans (A) Inpatient Scans Explanation: PET Scans are usually done as an O/P procedure. Small change in small number creates a big percentage change	8	6	(2)	-25%
E.1	Linear Accelerator Procedures inpatient Procedures Explanation: <i>Fewer patients requiring Inpatient procedures</i>	470	231	(239)	-51%
F. 2	Cardiac Catheterization Procedures Outpatient Procedures Explanation: <i>Less patients presenting for this service</i>	440	343	(97)	-22%
L.5	Hospital Clinic Visits Specialty Clinic Visits Explanation: <i>The procedures performed in the Clinic are now included in Associated Specialist statistical counts</i>	14,185	7,641	(6,544)	-46%
M.1	Other Hospital Outpatient Visits Rehabilitation (PT/OT/ST) Explanation: <i>The visit statistic was in place for a full year in FY 08. This statistical procedure count did not exist in FY 2007.</i>	33,355	73,576	40,221	121%
M.3	Other Hospital Outpatient Visits Chemotherapy Explanation: <i>Increase utilization of OP Chemotherapy visits</i>	713	1,327	614	86%
N.2	Hospital Full Time Equivalent Employees Total Physician FTEs Explanation: <i>Professional employees who can bill for their services joined Associated Specialists</i>	40	19	(21)	-53%

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 REPORT 500 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
I.A.13	Medicare Outpatient - Outpatient Payments/Outpatient Charges Explanation: <i>The Hospital increased it's prices, these price increases in the case of Medicare do not generate any additional payments because of most of Medicare OP is payed on APCs, Fee Schedules or some other fixed payment system. In addition the procedures utilized by patients and the rates paid by Medicare changed from the previous year.</i>	41.15%	31.21%	-9.94%	-24%
I.A.19	Medicare Totals Total Allowances Explanation: <i>The Hospital increased it's prices, these price increases in the case of Medicare do not generate any additional payments because of most of Medicare OP is payed on APCs, Fee Schedules or some other fixed payment system. In addition the procedures utilized by patients and the rates paid by Medicare changed from the previous year.</i>	85,957,241	104,110,450	18,153,209	21%
I.B.19	Non-Government Outpatient - Medicare-Non Government OP PMT/OPED Explanation: <i>Many Factors that do not pertain directly to Non-Government Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Non Government IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation</i>	(838)	(1,774)	(936)	112%
I.B.20	Non-Government Outpatient - Outpatient Upper Limit (Over) / Underpayment Explanation: <i>Many Factors that do not pertain directly to Non-Government Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Non Government IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation. An additional factor is the OPED increased under this calculation methodology</i>	(9,433,299)	(20,572,630)	(11,139,331)	118%
I.B.24	Non-Government Totals - Total Upper Limit (Over) / Underpayment Explanation: <i>Many Factors that do not pertain directly to Non-Government Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Non Government IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation</i>	(22,240,771)	(35,942,220)	(13,701,449)	62%
I.C.11	Uninsured Patient Days Explanation: <i>Fewer Uninsured presented themselves for care and those that did required fewer patient days</i>	1,196	914	(282)	-24%
I.C.17	Uninsured Outpatient Charges / Inpatient Charges Explanation: <i>More OP visits and fewer IP discharges, mix of procedures utilized by patients and changes in prices of procedures all contribut to the change in this percentage ratio.</i>	271.00%	336.51%	65.51%	24%
I.D.1	Medicaid Inpatient - Inpatient Accrued Charges Explanation: <i>A increase of 304 Discharges (16%), mix of procedures utilized and price increases caused IP revenue to increase 20%</i>	21,852,715	26,122,813	4,270,098	20%
I.D.2	Medicaid Inpatient - Inpatient Accrued Payments (IP PMT) Explanation: <i>A increase of 304 Discharges (16%) and an increase in the payment per discharge caused payments to increase significantly</i>	6,595,191	10,193,285	3,598,094	55%
I.D.3	Medicaid Inpatient - Inpatient Payments / Inpatient Charges Explanation: <i>An increase in the payment per discharge caused the payment percent to increase significantly</i>	30.18%	39.02%	8.84%	29%
I.D.6	Medicaid Inpatient - Case mix Adjusted Discharges (CMAD) Explanation: <i>A increase of 304 Discharges (16%) plus a 5% increase of the casemix is causing the CMAD to increase by 22%</i>	1,472	1,795	323	22%
I.D.7	Medicaid Inpatient - Inpatient Accrued Payment / CMAD	4,480	5,679	1,198	27%

	Explanation: <i>An increase in the payment per discharge and changes in case mix caused payments per CMAD to increase.</i>				
I.D.9	Medicare Inpatient - Medicaid IP PMT/CMAD	2,394	1,294	(1,100)	-46%
	Explanation: <i>The Medicare Payment per Discharge increased slightly (apprx. \$100) but the Medicaid Per Discharge amount aprx. \$1,200</i>				
I.D.10	Medicaid Inpatient - Inpatient Upper Limit (Over) / Underpayment	3,524,178	2,323,536	(1,200,642)	-34%
	Explanation: <i>Many Factors that do not pertain directly to Medicaid Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Medicaid IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation. An additional factor is the OPED increased under this calculation methodology</i>				
I.D.12	Medicaid Inpatient - Inpatient Accrued Payment / Patient Day	784	1,077	293	37%
	Explanation: <i>A Combination of a aprx \$1,200 per discharge payment increase and a slight decrease in Length of stay, increases the payments per day</i>				
I.D.21	Medicare Outpatient - Medicaid OP PMT / OPED	2,712	1,503	(1,209)	-45%
	Explanation: <i>Changes in the Hospital pricing structure influenced both Medicare Gross IP & OP Revenue, changes in procedures utilized in calculating Medicare Payments, and Medicaid IP & OP charegs, payments all effect this calculation</i>				
I.D.24	Medicaid Totals - Total Accrued Payments	14,473,288	19,140,556	4,667,268	32%
	Explanation: <i>Additional volume on both the IP & OP areas, mixture of procedures utilized and changes in payment rate are causes of the increase of payments</i>				
I.D.26	Medicaid Totals - Total Upper Limit (Over) / Underpayment	9,174,156	5,883,257	(3,290,899)	-36%
	Explanation: <i>Many Factors that do not pertain directly to Medicaid Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Medicaid IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation</i>				
I.E.21	Other Medical Assistance Outpatient - Medicare - OMA OP PMT/CMAD	3,533	2,464	(1,069)	-30%
	Explanation: <i>Decrease in IP Volume, Changes in Medicare Payments and other factors are causing the OMA OP PMT/CMAD to decrease by -30%</i>				
I.E.22	Other Medical Assistance Outpatient - Outpatient Upper Limit (Over) / Underpayment	1,471,175	1,027,123	(444,052)	-30%
	Explanation: <i>Decrease in IP Volume, Changes in Medicare Payments and other factors are causing the OMA OP PMT/CMAD to decrease by -30%</i>				
I.F.2	Total Medical Assistance - Inpatient Accrued Payments (IP PMT)	7,958,345	11,405,765	3,447,420	43%
	Explanation: <i>Increases in Medicaid payment rates and increased volume are causing IP payments to increase</i>				
I.F.3	Total Medical Assistance - Inpatient Payments / Inpatient Charges	28.64%	35.80%	7.16%	25%
	Explanation: <i>Increases in Medicaid payment rates increased more than charges causing the IP payment percent to increase</i>				
I.F.7	Total Medical Assistance - Inpatient Accrued Payment / CMAD	4,197	5,164	967	23%
	Explanation: <i>An increase in the payment per discharge and changes in case mix caused payments per CMAD to increase.</i>				
I.F.9	Total Medical Assistance - Medicare Total Medical Assistance IP PMT/CMAD	2,678	1,809	(869)	-32%
	Explanation: <i>Changes in the Hospital pricing structure influenced both Medicare Gross IP payments, changes in procedures utilized in calculating Medicare Payments changes in case mix, and TMA IP payments all effect this calculation</i>				
I.F.10	Total Medical Assistance - Inpatient Upper Limit (Over) / Underpayment	5,077,045	3,995,095	(1,081,950)	-21%
	Explanation:				

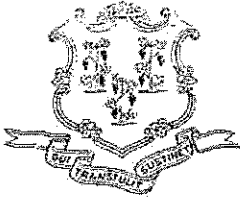
Many Factors that do not pertain directly to Total Medical Assistance Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Total Medical Assistance IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation

I.F.12	Total Medical Assistance - Inpatient Accrued Payment / Patient Day	741	995	254	34%
	Explanation: An increase in payments per discharge caused this variation				
I.F.21	Total Medical Assistance - Medicare - Total Medical Assistance OP PMT/OPED	2,849	1,647	(1,202)	-42%
	Explanation: Changes in the Hospital pricing structure influenced both Medicare Gross IP & OP Revenue, changes in procedures utilized in calculating Medicare Payments, and Medicaid IP & OP charges, payments all effect this calculation				
I.F.22	Total Medical Assistance - Outpatient Upper Limit (Over) / Underpayment	7,121,153	4,586,844	(2,534,309)	-36%
	Explanation: Many Factors that do not pertain directly to Total Medical Assistance Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Total Medical Assistance IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation				
I.F.24	Total Medical Assistance Totals - Total Accrued Payments	17,069,603	21,527,882	4,458,279	26%
	Explanation: Increased volume, and payment rates caused this increase				
I.H.1	Other Data - Other Operating Revenue	8,687,106	11,202,386	2,515,280	29%
	Explanation: Other Operating Revenue increased due to additional rental income from affiliates, purchased outside services from affiliates, and fringe benefits.				
I.H.4	Cost of Uncompensated Care - Charity Care (Charges)	2,064,407	2,983,821	919,414	45%
	Explanation: More patients qualified for Charity Care				
I.H.5	Cost of Uncompensated Care - Bad Debts (Charges)	13,840,182	16,989,650	3,149,468	23%
	Explanation: Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience				
I.H.6	Cost of Uncompensated Care - Uncompensated Care (Charges)	15,904,589	19,973,471	4,068,882	26%
	Explanation: See Cost of Uncompensated Care Charity & Bad Debts above				
I.H.9	Total Medical Assistance Underpayment - Total Accrued Payments	17,069,603	21,527,882	4,458,279	26%
	Explanation: Many Factors that do not pertain directly to Total Medical Assistance Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Total Medical Assistance IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation				
IV.1	Calculated Underpayment - Medicaid	5,649,979	3,559,721	(2,090,258)	-37%
	Explanation: Many Factors that do not pertain directly to Medicaid Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Medicaid IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation. An additional factor is the OPED increased under this calculation methodology				

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 650 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
<u>LINE</u>	<u>DESCRIPTION</u>				
A.2	Number of Approved Applicants Explanation: <i>More patients qualified in FY 2008 also more applied</i>	1,249	1,764	515	41%
A.3	Total Charges Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	2,064,407	2,983,821	919,414	45%
A.6	Total Cost Explanation: <i>With more patients applying, qualifying and the RCC increasing the cost of Charity Care increased</i>	1,049,545	1,636,357	586,812	56%
A.8	Charity Care - Inpatient Charges Explanation: <i>Charity increased overall and more IP patients qualified this year</i>	\$498,368	\$657,478	\$159,110	32%
A.9	Charity Care - Outpatient Charges (Excludes ED Charges) Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	995,670	1,696,898	701,228	70%
A.15	Charity Care - Number of Outpatient Visits (Excludes ED Visits) Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	1,679	2,561	882	53%
B.2	Bad Debts - Outpatient Services (Excludes ED Bad Debts) Explanation: <i>Inadvertently the FY 2007 OP Bad Debt was transposed with the FY 2007 ER Bad Debt. The FY 2007 number should have been \$3,162,621 creating a \$1,325,580 difference or a 42% increase. Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	6,689,884	4,488,181	(2,201,703)	-33%
B.3	Bad Debts - Emergency Department Explanation: <i>Inadvertently the FY 2007 OP Bad Debt was transposed with the FY 2007 ER Bad Debt. The FY 2007 number should have been \$6,689,884 creating a \$1,307,761 difference or a 20% increase. Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience.</i>	3,162,621	7,997,645	4,835,024	153%
B.4	Total Bad Debts (A) Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	13,840,182	16,989,650	3,149,468	23%
C.1	Charity Care (A) Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	\$2,064,407	\$2,983,821	\$919,414	45%
C.2	Bad Debts (A) Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	13,840,182	16,989,650	3,149,468	23%
C.3	Total Uncompensated Care (A) Explanation: <i>See Cost of Uncompensated Care Charity & Bad Debts above C.1 & C.2</i>	15,904,589	19,973,471	4,068,882	26%

C.5	Uncompensated Care - Outpatient Services (Excludes ED Unc. Care)	7,685,554	6,185,079	(1,500,475)	-20%
	Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted and Bad Debts increased because they are a percent of charges. See Explanation B.2 above</i>				
C.6	Uncompensated Care - Emergency Department	3,732,990	8,627,090	4,894,100	131%
	Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted and Bad Debts increased because they are a percent of charge. See Explanation B.3 above</i>				
C.7	Total Uncompensated Care (A)	15,904,589	19,973,471	4,068,882	26%
	Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted and Bad Debts increased because they are a percent of charges</i>				



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

June 17, 2009

Mr. Bruce Cummings
President & Chief Executive Officer
Lawrence & Memorial Hospital
365 Montauk Avenue
New London, CT 06320

Subject: **FY 2008 Annual Reporting, FY 2008 Twelve Months Actual Filing
and FY 2009 Hospital Budget Filing, Notarized Hospital Filing Affidavit**

Dear Mr. Cummings:

The Office of Health Care Access ("OHCA") has completed its review of the FY 2008 Annual Reporting, FY 2008 Twelve Months Actual Filing and the FY 2009 Hospital Budget Filing submissions received from acute care general hospitals. During the last few years, I have been trying to improve the overall submission and review process of the hospital financial filings with OHCA. Last year we completely overhauled the hospital reporting database and created a more user-friendly database environment. The feedback regarding the new Hospital Reporting System ("HRS") has been generally positive.

In efforts to create further efficiencies and to make the financial data available for publication sooner, I am requesting that each hospital President/CEO confirm the quality of the information and data that was provided to OHCA in these three submissions. Therefore, I have enclosed a Hospital Filing Affidavit for you to read, initialize each of the three (3) statements and have your signature notarized, which will attest to the accuracy of this information and data. Please realize that OHCA will be using the data that currently exists in your hospital's HRS submissions, and that OHCA will not be editing or altering these submissions in any manner after we receive this affidavit.

Please submit to OHCA an original and one (1) copy of the enclosed Hospital Filing Affidavit, notarized, signed, and dated **no later than Tuesday, June 30, 2009.**

Once we have received completed Affidavits from all of the hospitals, please know that you are able to request your final data as well as that of other hospitals under the Freedom of Information Act.

Sincerely

Cristine A. Vogel
Commissioner

CAV: md

Enclosure

cc: Lugene Inzana, Vice President & Chief Financial Officer

AFFIDAVIT

CERTIFICATION TO THE STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

OF THE HOSPITAL'S FY 2008 ANNUAL REPORTING, FY 2008 TWELVE
MONTHS ACTUAL FILING AND FY 2009 HOSPITAL BUDGET FILING

I, Bruce D. Cummings, President/CEO, of
(Print Name)

Lawrence & Memorial Hospital
(Print Hospital Name)

hereinafter referred to as "the Hospital", being duly sworn, depose and state that the information submitted to the Office of Health Care Access that is contained in:

1. The Hospital's FY 2008 Annual Reporting concerning the Hospital's actual results from operations, both in hard copy and in each of the Hospital Reporting System Reports, is true, accurate, complete and consistent with the FY 2008 Annual Reporting General Instructions provided to the Hospital by the Office of Health Care Access; and BC
(initial)
2. The Hospital's FY 2008 Twelve Months Actual Filing and FY 2009 Hospital Budget Filing concerning the Hospital's actual results from operations and the Hospital's operating budget, respectively, both in hard copy and in each of the Hospital Reporting System Reports, is true, accurate, complete and consistent with the FY 2008 Twelve Months Actual Filing and FY 2009 Hospital Budget Filing General Instructions provided to the Hospital by the Office of Health Care Access; and BC
(initial)
3. The Hospital's FY 2008 Hospital Reporting System, Report 600, is identical to the information upon which the Hospital's FY 2008 *Report of Independent Accountants on Applying Agreed-Upon Procedures* is based; BC
(initial)

is accurate and correct to the best of my knowledge and can be released for public use.

[Signature]
(Signature)

6/27/09
(Date)

Subscribed and sworn to before me on 6/23/09
(Date)

Jacqueline E. Cooper
Notary Public / Commissioner of Superior Court

JACQUELINE E. COOPER
NOTARY PUBLIC

MY COMMISSION EXPIRES JUNE 30, 2013

My commission expires: 6/30/13
(Date)