

SUPPLEMENTAL
HOSPITAL CONVERSION APPLICATION

April 17, 2009

Please provide the following information (please copy the chart as needed):

Name Transacting Party:	St. Joseph Health Services of Rhode Island
Date Application Submitted:	February 4, 2009
Date of Agreement Execution with the Director for the Payment of Costs *	February 13, 2009*
Date of Agreement Execution with the Attorney General for the Payment of Costs *	April, 2009*
Date of Approval by Transacting Parties' and existing hospitals' parent corporation, council, or religious organization, including the Diocese, Council, and the Vatican * (if applicable)	January 15, 2009 (C015059) Vatican Notification and Response: July 28, 2008 and August 29, 2008, respectively. (E002833-E002834 and E006690 and E002835, respectively) See also C017871-C017879.

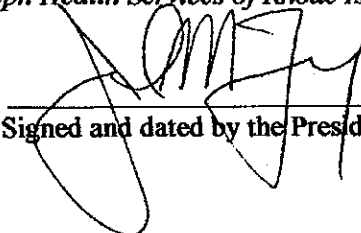
* Please provide copies of the responsive documents.

* See Supplemental Exhibit 134 at E007255-E007240.

The Transacting Parties have conducted diligent searches to identify and produce all responsive documents. As set forth in the Application responses, all responsive documents identified as a result of such searches have been produced. To the extent the Transacting Parties discover additional responsive documents which have not yet been identified notwithstanding the diligent searches, the Transacting Parties will supplement their responses accordingly.


Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please copy the chart as needed):

"I hereby certify that the information contained in this application submitted by St. Joseph Health Services of Rhode Island is complete, accurate and true."

 4/14/09
Signed and dated by the President or Chief Executive Officer

St. Joseph Health Services of Rhode Island

Subscribed and sworn to before me this 14th day of April, 2009.


Notary Public
My Commission Expires: 3/28/13

SUPPLEMENTAL
HOSPITAL CONVERSION APPLICATION

April 17, 2009

Please provide the following information (please copy the chart as needed):

Name Transacting Party:	Roger Williams Hospital
Date Application Submitted:	February 4, 2009
Date of Agreement Execution with the Director for the Payment of Costs *	February 13, 2009*
Date of Agreement Execution with the Attorney General for the Payment of Costs *	April, 2009*
Date of Approval by Transacting Parties' and existing hospitals' parent corporation, council, or religious organization, including the Diocese, Council, and the Vatican * (if applicable)	January 29, 2009 (C015466)

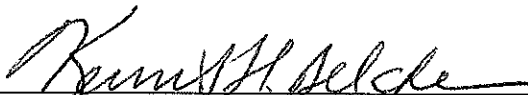
* Please provide copies of the responsive documents.

* See Supplemental Exhibit 134 at E007255-E007240.

The Transacting Parties have conducted diligent searches to identify and produce all responsive documents. As set forth in the Application responses, all responsive documents identified as a result of such searches have been produced. To the extent the Transacting Parties discover additional responsive documents which have not yet been identified notwithstanding the diligent searches, the Transacting Parties will supplement their responses accordingly.

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please copy the chart as needed):

"I hereby certify that the information contained in this application submitted by Roger Williams Hospital is complete, accurate and true."

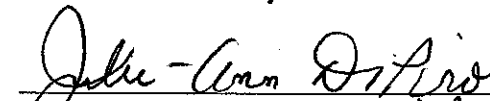


Signed and dated by the President or Chief Executive Officer

Kenneth H. Belcher

Roger Williams Hospital

Subscribed and sworn to before me this 14 day of April, 2009.


Notary Public *Julie-Ann DiPiro*
My Commission Expires: 9/9/09

SUPPLEMENTAL
HOSPITAL CONVERSION APPLICATION

April 17, 2009

Please provide the following information (please copy the chart as needed):

Name Transacting Party:	Roger Williams Medical Center
Date Application Submitted:	February 4, 2009
Date of Agreement Execution with the Director for the Payment of Costs *	February 13, 2009*
Date of Agreement Execution with the Attorney General for the Payment of Costs *	April, 2009*
Date of Approval by Transacting Parties' and existing hospitals' parent corporation, council, or religious organization, including the Diocese, Council, and the Vatican * (if applicable)	January 29, 2009 (C015466)

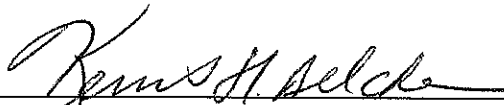
* Please provide copies of the responsive documents.

* See Supplemental Exhibit 134 at E007255-E007240.

The Transacting Parties have conducted diligent searches to identify and produce all responsive documents. As set forth in the Application responses, all responsive documents identified as a result of such searches have been produced. To the extent the Transacting Parties discover additional responsive documents which have not yet been identified notwithstanding the diligent searches, the Transacting Parties will supplement their responses accordingly.

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please copy the chart as needed):

"I hereby certify that the information contained in this application submitted by Roger Williams Medical Center is complete, accurate and true."

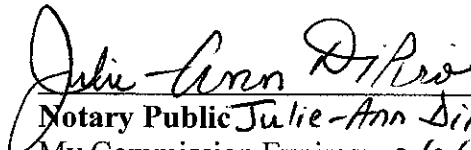


Signed and dated by the President or Chief Executive Officer

Kenneth H. Belcher

Roger Williams Medical Center

Subscribed and sworn to before me this 14 day of April, 2009.


Notary Public *Julie-Ann DiPiro*
My Commission Expires: 9/9/09

SUPPLEMENTAL
HOSPITAL CONVERSION APPLICATION

April 17, 2009

Please provide the following information (please copy the chart as needed):

Name Transacting Party:	CharterCARE Health Partners
Date Application Submitted:	February 4, 2009
Date of Agreement Execution with the Director for the Payment of Costs *	February 13, 2009*
Date of Agreement Execution with the Attorney General for the Payment of Costs *	April, 2009*
Date of Approval by Transacting Parties' and existing hospitals' parent corporation, council, or religious organization, including the Diocese, Council, and the Vatican * (if applicable)	See cover sheets for St. Joseph Health Services of Rhode Island, Roger Williams Hospital and Roger Williams Medical Center.

* Please provide copies of the responsive documents.

* See Supplemental Exhibit 134 at E007255-E007240.

The Transacting Parties have conducted diligent searches to identify and produce all responsive documents. As set forth in the Application responses, all responsive documents identified as a result of such searches have been produced. To the extent the Transacting Parties discover additional responsive documents which have not yet been identified notwithstanding the diligent searches, the Transacting Parties will supplement their responses accordingly.

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please copy the chart as needed):

"I hereby certify that the information contained in this application submitted by CharterCARE Health Partners is complete, accurate and true."

Kenneth H. Belcher

Signed and dated by the President or Chief Executive Officer

Kenneth H. Belcher

CharterCARE Health Partners

Subscribed and sworn to before me this 14 day of April, 2009.

Julie-Ann DiPiro
Notary Public *Julie-Ann DiPiro*
My Commission Expires: *9/9/09*

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INSTRUCTIONS: For each transacting party and its hospital affiliates, provide complete answers to the following questions:

1. Please provide an executive summary of the proposed conversion which shall include (1) discussion of the timing, cost, source of funds, etc. of the individual elements that will occur as a result of the proposed conversion (including real estate sales, development of new services and/or facilities, etc.) and (2) identify and quantify benefits to the community from the conversion, starting with the Effective Date, running 10 years forward.

Response 1(1): Roger Williams Hospital (“RWH”), a tax exempt organization, is an acute-care hospital in Providence, Rhode Island that provides secondary and tertiary care, is engaged in medical research and is a community-based teaching hospital affiliated with an academic medical center. RWH also provides homecare services through Roger Williams Homecare, a home health agency operated under RWH’s license.

RWMC, a tax exempt organization, is the sole member of the following entities (“RW Affiliates”): RWGH Physicians Office Building, Inc., Elmhurst Extended Care Facilities, Inc., Roger Williams Realty Corporation and Roger Williams Medical Associates. It is the sole shareholder of Rosebank Corporation and Elmhurst Health Associates, Inc. RWH is also a party to Roger Williams Radiation Therapy, LLC, a for profit joint venture OACF for radiation therapy services, with RTSI, Inc. Charitable contributions for RWH are raised by RWH and held by RWH. There will be no changes to this subsequent to or as the result of the proposed affiliation.

St. Joseph’s Health Services of Rhode Island (“SJHSRI”), a tax exempt organization, through its unincorporated divisions operates an integrated delivery system providing a range of services consistent with the healing mission of the Catholic Church, including, but not limited to, acute care services at its Our Lady of Fatima Hospital division, assisted living facility services through its St. Joseph Living Center division, and specialty care services through St. Joseph Hospital for specialty care. SJHSRI also operates a school of nursing education through its St. Joseph School of Nursing division. SJHSRI is the member or shareholder of each of the following nonprofit and for profit entities (“SJHSRI Affiliates”): Our Lady of Fatima Ancillary Services, Inc., St. Joseph Health Services Foundation, SJH Energy LLC. SJHSRI is also a party to Northwestern Rhode Island Imaging Center, LLC. a for profit joint venture through Our Lady of Fatima Ancillary Services, Inc for an MRI center in Johnston, Rhode Island. SJHSRI is also a party to a Market Participation Service Agreement for SJH Energy, LLC with ISO New England, Inc. rehabilitation services through Southern New England Rehabilitation Services, a joint venture of SJHSRI with Rhode Island Hospital. St. Joseph Health Services Foundation is also a subsidiary of SJHSRI. St. Joseph’s Health Services Foundation

began its operations in October of 2007. The SJHSRI is the sole member of this foundation. The Foundation is listed in the Official Catholic Directory and from that derives its 501(c)(3) status as an exempt organization whose mission is to raise funds for the specific purpose of supporting the SJHSRI Corporation. There will be no changes to the corporate structure of St. Joseph's Health Services Foundation and its relationship to SJHSRI subsequent to or as a result of the proposed affiliation.

The Parties have determined that by joining the RWH and SJHSRI together to create a new healthcare system, CharterCARE Health Partners ("CCHP"), they can enhance their respective charitable purposes and missions and better serve the health care needs of the communities they serve in a manner that will preserve the Catholicity of SJHSRI and enhance RWH's historic mission of medical research and education.

The Parties anticipate that this reorganization into CCHP (sometimes referred to herein as "CharterCARE" or the "System") will be effective upon approval by the Attorney General's Office, the Rhode Island Department of Health, and any other regulatory body with approval power over any aspect of the affiliation.

RWH and SJHSRI will remain as two separately licensed acute care hospitals. It is anticipated that CCHP will become (i) the sole member of RWH, (ii) the sole member of each RW Affiliate, (iii) the sole member of SJH Energy LLC, (iv) the sole member of Our Lady of Fatima Ancillary Services, Inc., and (v) the Class A Member of SJHSRI; and, at the same time, the Bishop will become the Class B Member of SJHSRI, with certain reserved powers relating to the continued Catholicity of SJHSRI. Roger Williams Medical Center shall merge into RWH or otherwise transfer all of its assets and liabilities to RWH, and RWH will change its name to Roger Williams Medical Center. Roger Williams Hospital, Saint Joseph's Health Services of Rhode Island, and Elmhurst Extended Care Facilities will each file a Change in Effective Control Application with the Department of Facilities Regulation within three (3) months of this filing.

CCHP will have a fifteen (15) member Board of Trustees. The Initial Board shall consist of eight (8) Trustees designated by the Bishop and seven (7) trustees designated by the Board of Trustees of RWH. The Initial Board members shall serve for a term of three (3) years (the "Initial Term"). Upon the expiration of the Initial Term, the Trustees shall elect their successors to staggered terms such that five (5) individuals shall be elected to two (2) year terms, five (5) individuals shall be elected to three (3) year terms and five (5) individuals shall be elected to four (4) year terms. The initial Chair of CCHP shall be Edwin Santos; the initial Vice Chair shall be Monsignor Paul Theroux J.C.L. Kenneth H. Belcher, shall be the President/Chief Executive Officer (the "CEO") and John M. Fogarty shall be the Executive Vice President/Chief Operating Officer (the "COO") of CCHP.

CCHP shall be the sole member of RWH and each RW Affiliate, the sole member of SJH Energy LLC and of Our Lady of Fatima Ancillary Services, Inc., and the Class A member of SJHSRI. SJHSRI shall have two (2) classes of members, a Class A Member and a Class B Member. The Class A Member shall be CCHP. The Class B Member shall be the Bishop or its designee. The following actions by RWH, SJHSRI or any Affiliate, shall require the approval of CCHP:

- **Changes to the mission, philosophy and value statements.**
- **Amendments to the Articles and Bylaws of each entity.**
- **Appointment or removal of a member of the Board of Trustees of each entity.**
- **Approval of the capital and operating budgets of each entity and any unbudgeted transaction or expenditure by each entity in excess of an amount determined by CCHP from time to time.**
- **Approval of the strategic plan for each entity.**
- **Approval of the incurrence of any debt or the sale, lease, transfer or mortgage of property in excess of an amount determined by CCHP from time to time, the closure or relocation of any of its services and the incurrence or retention of any debt by each entity.**
- **Approval of the appointment or removal of the CEO, CFO and COO (if any) of each entity.**
- **Approval of any dissolution, affiliation, merger, reorganization or change of control of each entity.**
- **Approval of any certificate of need or similar application or filing or any material changes in services provided by each entity.**
- **Approval of any new academic affiliation of any System Member and the termination of any such affiliation.**

So long as SJHSRI remains under Catholic sponsorship as determined by the Bishop, the following actions shall require the approval of both the CCHP and the Bishop:

- **The sale, mortgaging or leasing of any real or personal property of SJHSRI having a value in excess of the relevant canonical threshold as the same may exist from time to time.**

- **The dissolution of SJHSRI.**
- **All changes with respect to the SJHSRI charity care policy; provided, however, that the charity care policy shall at all times meet the requirements of the applicable provisions of the laws of the State of Rhode Island.**
- **All matters with respect to pastoral care including funding.**
- **Any amendment to the Articles of Incorporation, Bylaws or other governing documents of SJHSRI with respect to these matters.**
- **Any amendments to the Articles of Incorporation, Bylaws or other governing documents of SJHSRI relating to the performance of Prohibited Procedures.**
- **Any change to the Mission Statement or the Vision and Values Statement as set forth in the Articles of Incorporation, Bylaws or other governing documents of CCHP or of SJHSRI.**

RWH and SJHRI shall equally share the post-closing costs of operations of CCHP on an equal basis, with RWH & SJHRI each bearing fifty percent (50%) of the costs thereof. By affiliating and creating CCHP, the Transacting Parties are targeting operating reductions of \$15.0 million, with approximately \$5.0 million targeted in each of the first three (3) years of CCHP's operation. To date, approximately \$7.0 million in administrative and support efficiencies have been identified. An additional estimated \$8.0 million in efficiencies relating to clinical services integrations, department level consolidations, supply chain consolidations, and other contract services is anticipated to be achieved post-affiliation. The overall targeted operating expense reductions equal approximately 5.3% of the combined operating expense budgets of RWH and SJHSRI.

The proposed management plan and operating structure post-conversion is a single, centralized executive and senior management team, with dual on-campus presence, including finance, accounting, billing, strategic planning, legal services, corporate compliance, risk management, marketing, public relations, purchasing and corporate ethics. CCHP will be funded through a Management Services Agreement by and between CCHP, RWH and SJHSRI. RWH and SJHSRI will contract for executive management services from CCHP, including finance, accounting, billing, strategic planning, legal services, corporate compliance, risk management, marketing, public relations, purchasing and corporate ethics. Coordinated functions and departments post-conversion include: medical records, human resources, information technology, development, and motor services. Management consolidation is also anticipated in dietary, engineering, facilities and security.

The Transacting parties anticipate consolidating clinical services where quality, cost and access measures so support. There will be no reduction or elimination of clinical services as a result of the conversion. Consolidation of clinical services is anticipated to occur in the following areas: laboratory, outpatient rehabilitation, home care, hyperbaric medicine, occupational health, bariatrics, oral surgery, and hospice. It is anticipated that centralized management and clinical direction will occur in the following areas: emergency services, diagnostic imaging, psychiatry, addiction medicine, geriatrics pharmacy, and respiratory therapy. Selected departments will, at a minimum, be coordinated, and are anticipated to eventually be consolidated, including: cancer service, orthopedics, neurosciences, sleep lab, and pain management. Clinical service consolidation is not planned for the immediate future. The first focus on consolidation will be administrative functions. Clinical service consolidation and integration is not anticipated to occur until three to five years after affiliation, subsequent to the integration on non-clinical services. The Transacting Parties have agreed that in the event a clinical services become consolidated at one site, and as such, if the site losing the service (“Originating Site”) to consolidation suffers a loss in contribution margin as a result, that site shall be made financially whole by the transfer of funds from the site gaining the consolidated services (and thus the additional contribution margin) to CCHP, and back to the Originating Site.

As noted above, administrative and support services will be consolidated in one to three years. Clinical integration, also as noted above, is not anticipated in most departments until years three to five and beyond. In these fast-paced changing times in healthcare, it is difficult to predict what changes will occur within one year, and virtually impossible to determine what will occur in ten years, particularly because so much of what impacts hospitals is out of the actual control of hospitals (reimbursement issues, legislation, increase in the population of underinsured and uninsured, advancements in technology and research effecting treatments and outcomes, mandated measures at the state and federal level, and many other factors). As RWH and SJHSRI continue to work together under the CCHP umbrella, it is anticipated that clinical integration will continue to advance resulting in best practice and increased quality.

There are no anticipated real estate sales or real estate development as a result of the conversion. However, independent of the affiliation process SJSHRI has received approval through the Certificate of Need review process to consolidate its inpatient services to its Our Lady of Fatima campus, which will ultimately afford SJHSRI the opportunity to sell the existing St. Joseph Campus. This process was underway prior to the filing of this Hospital Conversion Act Application and would continue regardless of the approval of this Hospital Conversion Act Application. As of the filing of this application, the building remains in the sole possession of SJHSRI.

St. Joseph Health Services of Rhode Island is one of the largest providers of care to designated poverty areas in the state of Rhode Island. The Hospital supports a major primary care operation in South Providence (21 Peace Street) at its St. Joseph Hospital for Specialty Care campus, which generates over 52,000 visits per year to that community. St. Joseph Health Services of RI currently provides a variety of Health Clinics, including the following: adult primary care, diabetes resource center, GYN clinic, immunization clinic, eye clinic, podiatric clinic, laboratory services, lead clinic, pediatric clinic, pediatric dental center, prenatal clinic, radiology, Rite Care application assistance, walk-in clinic, WIC program, and women's cancer screening program. All of these services will remain unchanged subsequent to the proposed affiliation, except as noted in the previously approved SJHSRI CON whereby if the St. Joseph campus is sold, the Health Center clinics would be relocated/offered in their present form at an accessible nearby location in South Providence. It is anticipated that the efficiencies resulting from the proposed affiliation (as outlined above) will provide the funding necessary to allow these programs to continue.

In addition, the St. Joseph Health Services Foundation is planned to continue in its current form raising funds for the specific purpose of supporting the SJHSRI mission and enhancing its charitable purposes.

RWH will continue to maintain the Roger Williams Senior Health Care Associates (collectively referred to as "the Senior Centers") sites in Greenville, West Warwick, North Providence and Providence. The Senior Centers provided clinical outpatient services with a focus on Geriatrics. In addition, the Senior Centers provide education targeted to the Geriatric population in the areas of nutrition, preventative medicine, and healthy lifestyle. All of these services will remain unchanged subsequent to the proposed affiliation. It is anticipated that the efficiencies resulting from the proposed affiliation (as outlined above) will provide the funding necessary to allow these programs to continue.

Response 1(2): The environment in Rhode Island and surrounding communities for hospital and hospital-based services has grown increasingly competitive, necessitating that unaligned hospitals form strategic linkages to better assure their ability to offer high quality, effective and efficient health care services. RWH and SJHSRI share a common bond of service to the people of Providence, North Providence, South Providence and surrounding communities.

By joining together the Parties can collectively enhance their ability to serve these communities and provide assurance to the Bishop that SJHSRI will continue to operate consistent with the principles and mission of a Catholic hospital responsive to the needs of the poor and disenfranchised.

By joining RWH and SJHSRI together to create a new healthcare system, the Parties can enhance their respective charitable purposes and missions and better serve the health care needs of the communities they serve in a manner that will preserve the Catholicity of SJHSRI and enhance RWH's historic mission of medical research and education.

RWH has a robust program of community outreach, health screenings, and free education. As required by the Department of Health, RWH and SJHSRI will continue to monitor and report these community benefits programs on an annual basis. Additionally, we will note these programs in our annual report and on our website.

Free programs provided annually by RWH include screenings for prostate and breast cancer, a Mini Medical School, community outreach clinics, community educational services, community task forces and community health fairs that attracted more than 20,000 Rhode Islanders in the last fiscal year.

RWMC is also home to several support groups for medical conditions ranging from cancer to addictions to obesity, including Blood and Marrow Cancer Support Group (jointly with Leukemia and Lymphoma Society), Chronic Hepatitis C Support Group, "Weigh To Win" support group for gastric bypass patients. RWH is involved in a number of education initiatives including a student nurse internship program for nursing students at Rhode Island College, Community College of Rhode Island, and the University of Rhode Island and a partnership with the William B. Cooley / Health & Science Technology Academy to educate and orient students to careers in health care.

RWH also holds an annual Cancer Survivors' Day, quarterly blood drives, and free flu clinics in the community through its Home Care Department.

A small sampling of 2008 RWH programs that benefited the community:

- **CCRI Health Fair**: *Provided screenings including blood pressure, cholesterol/glucose, thyroid, and oral exams to more than 600 people. Also offered an "Ask The Pharmacist" program.*
- **Community Presentation at St. Aidan's Church**: *Presentation by a surgeon to 300 people on options for living with knee pain.*
- **AgeWell '08 Health Fair**: *Free community health fair that offered physician lectures, screenings including skin, blood pressure, and thyroid to 300 seniors.*
- **Prostate Cancer Screening**: *Free screening that reaches almost 100 men annually.*

- **Mini Medical School:** *Free annual four week program on health attended by almost 100 people.*
- **Greater Providence Business Expo:** *Provided free health information and screenings including blood pressure, cholesterol/glucose, thyroid, and oral exams to more than 2,000 people. Also offered an “Ask The Doctor” and “Ask The Pharmacist” program.*

Repeating annual events, cancer screenings, support groups, educational initiatives, and Mini Medical School, will continue subsequent to the proposed affiliation. Those events that are not necessarily repeated will be replaced with different community task forces, health fairs and educational services.

A sampling of those community services offered the 2008 SJHSRI programs that benefited the community: support groups for cancer and stroke, free transportation, physician referral services, community health screenings, lectures, conferences and workshops for health education, health fairs, blood drives, interaction with public schools, South Providence Children’s Christmas Party, free flu and immunization clinics, hospital supported school of nursing, medical technology and cythotechnology, collaboration with other organizations (American Heart Association, American cancer Society, health center instruction activities (including CPR, first aid, child birth, breast feeding and diabetes). SJHSRI will continue to provide charity care and community benefit at current or expanded levels depending on the financial status of the organization, and dependent upon applicable rules and regulations for the provision of charity care and community benefit that may be in place in the future. Both SJSHRI and RWH intend to continue their community outreach initiatives regardless of the affiliation, however, the organizations believe the economic efficiencies and financial stability generated by the affiliation will enhance their ability to continue and expand their community outreach programs in the future based upon community need.

SJHSRI has recently updated (April 2009) the “Community Benefit Services – Recognition and Reporting Policy” which clearly defines examples of community benefit functions and services. Function Organizers will be required to complete a Community Service Assessment form which will be utilized to track the type of the community benefit the facility provided along with the value of staff/volunteer time, supplies and/or equipment usage. SJSHRI’s current audited financial statements from fiscal year 2008 demonstrate that SJSHRI provided \$72,273 in community benefit for that year. While these numbers include only direct supply expenditures associated with the community benefit event, the new policy will allow SJSHRI the opportunity to more accurately track the financial impact of community benefit in the future by identifying all costs.

There will be no decrease or elimination of services to the community as a result of

the conversion. In fact, based upon the anticipated and delineated efficiencies described in section (1) above, the community will be better served by the Parties providing more efficient, cost effective healthcare. This new affiliation agreement provides the Parties with the opportunity to forge a strategic partnership through which both institutions will pursue a common goal, providing an enhanced model of patient care for the community. This affiliation will allow the Parties to continue to provide high quality, value-driven health care services to the community. A major goal of the affiliation is to become stronger by working more closely together. The Parties currently serve many of the same patients and communities, and this affiliation will allow expansion of local health care services and the development of closer working relationships between the two providers. This affiliation will allow both transacting parties to continue to provide access to their current array of primary care services through increased financial stability, and seek non-affiliative collaboration with existing community providers (such as senior centers, community mental health centers and area primary care physicians) as the approved system develops over time. In addition, the affiliation will create operating efficiencies through the elimination of duplicative capital expenditures and overhead expenses.

In the ever-evolving health care environment, it has become increasingly difficult for smaller independent hospitals to survive. Although RWH and SJHSRI could continue to serve their communities absent an affiliation in the short term, given the difficulties facing smaller independent hospitals, it is unclear how far into the future both entities can survive on their own. Benefits of the affiliation include opportunities to improve care coordination between providers, create efficiencies by consolidating and coordinating administrative and clinical services, and expand health care services available to patients in Rhode Island.

2. Please demonstrate that each of the individual elements of the proposed conversion benefits the community and whether these benefits could be affected by the transacting parties (whether independently or through collaboration) without undergoing the proposed conversion.

Both RWH and SJHSRI provide a vast array of healthcare services to the communities they serve. Both hospitals acting separately and independently could continue to provide these services in the short term. However, the environment in Rhode Island and surrounding communities for hospital-based services has grown increasingly competitive, necessitating that unaligned hospitals, such as RWH and SJHSRUI form strategic linkages to better assure their ability to offer high quality, effective and efficient health care services.

Both RWH and SJHSRI provide community benefit programs including: community outreach, cancer screenings, health screenings, community educational services, community health fairs, support group services, blood drives, nursing education programs and health center instruction activities. With the ever-increasing financial challenges facing unaffiliated hospitals in the State, these community benefits programs are in jeopardy of losing funding. It is unlikely that all of these community benefit programs will remain unaffected without the savings and efficiencies garnered by the proposed affiliation. Both SJSHRI and RWH intend to use best efforts to continue their community outreach initiatives regardless of the affiliation, however, the organizations believe the economic efficiencies and financial stability generated by the affiliation will enhance their ability to continue their community outreach programs and grow these existing programs in the future. This affiliation will allow both transacting parties to continue to provide access to primary care services through increased financial stability, by maintenance of current clinics and other primary care outreach as well as seeking future non-affiliative collaborations with existing community providers (senior centers, community mental health centers, area primary care physicians) as the approved system develops over time. In the absence of this affiliation, the potential financial pressures of the local healthcare market will place further stress on each provider's ability to carry forward their intention to maintain existing community outreach.

Although there has been no discussion to date between the Transacting Parties and third party payors regarding funding for community programs, it is anticipated that by achieving the efficiencies detailed in this application, funding for these and future community benefit programs will be obtained.

RWH and SJHSRI currently serve many of the same patients and communities. This conversion will allow expansion of local health care services and the development of a closer working relationship between the two providers, and between their medical departments. Due to the close proximity, only with the

conversion will the two hospitals be able to recognize substantial synergies and efficiencies. The conversion is anticipated to create fifteen million dollars in operating efficiencies in the first three years post-conversion. This could not be achieved if the two hospitals remained unaffiliated. As evidenced by the state-wide financial results reported over the last few years, there is significant financial disparity between those institutions that are part of a system and those that have remained independent community hospitals. The conversion allows the two hospitals to more efficiently allocate limited capital and operating resources within the system and the ability for both hospitals to maintain financial viability to assure that they are capable of providing these valuable services in to the distant future. Thus, the community benefit associated with providing quality, effective and efficient health care services, combined with efficiency savings of approximately fifteen million dollars (\$15,000,000) cannot be accomplished absent the proposed conversion.

The transacting parties believe that there are four major community benefits that can be achieved by approval of this Hospital Conversion Act Application. They include:

- **Consolidation of Administrative Services –** The consolidation of administrative services allows for the reduction of duplicative services currently offered by both institutions and centralized coordination of the two acute care institutional providers. The cost savings attained by the consolidation of the administrative services can therefore assist the two hospitals in achieving financially sound futures, preserving the services that they currently provide to their communities and eliminating duplicative non-clinical services whose cost may otherwise ultimately be passed on to the health care consumer.
- **Clinical Coordination –** The collaboration and coordination of clinical services as part of this affiliation allows both hospitals to adopt best practices and create designated Centers of Excellence designed to better serve the communities surrounding the hospitals. The clinical collaborative efforts outlined in this application are designed to ensure access to clinical programs whose focus is on continuous quality improvement.
- **Preservation of Primary Care Access –** The affiliation between SJSHRI and RWH will allow the combined entities the opportunity to achieve significant operational savings, therefore boosting their ability to maintain financial viability, to provide the primary care services currently offered and to consider non-affiliative collaborations with other non-hospital-based community providers.
- **Coordination of Organizational Efforts -** Similar to consolidation, the organizations can collectively direct planning, marketing and service

development efforts that will be tightly integrated between the two hospitals. While dollar savings from coordination of organizational efforts are difficult to quantify specifically beyond those already cited, the transacting parties feel that the consistency of effort, more coordinated outreach and more organized communication will lead to a more informed community with regard to the services offered by both organizations.

In addition, the Transacting Parties have assessed their ability to achieve the community benefit objectives listed above without formal affiliation. The transacting parties have concluded:

- Management consolidation is essential to coordinate the scope of the organizations and to achieve the savings necessary to preserve the long term viability of the Hospitals. The savings achieved by means of the affiliation are essential to preserving access to the existing healthcare services currently offered by RWH and SJHSRI.**
- Clinical collaboration (ie. home care and laboratory) could not be achieved to the level necessary to preserve and improve services absent an affiliation. While both institutions could collaboratively work to develop individual clinical programmatic partnerships designed to adopt best practices within their facilities on a service by service basis, the complexity of the individual agreements and oversight of the governing principles would overshadow the true intent of the clinical collaboration. If proper clinical integration is to be achieved with a focus on continuing and improving access to quality inpatient and outpatient services, affiliation provides the transacting parties the best opportunity to achieve that objective.**
- The financial savings and clinical collaboration attained by means of the affiliation would be best constituted under terms specified in a formal affiliation agreement. With integration to the extent necessary to preserve long term viability and strength within the organizations in the future, the formal agreement and consolidation of key management personnel provides both organizations with the best opportunity to be successful in providing patients the care they need and deserve.**

3. Name and address of each transacting party and the affiliate hospitals of the transacting parties (Please copy the chart as needed):

Name:	St. Joseph Health Services of Rhode Island	Telephone: 401-456-3000	
Address:	200 High Service Avenue, North Providence	State: RI	Zip: 02904

Name:	Roger Williams Hospital	Telephone: 401-456-2000	
Address:	825 Chalkstone Avenue, Providence	State: RI	Zip: 02908

Name:	Roger Williams Medical Center	Telephone: 401-456-2000	
Address:	825 Chalkstone Avenue, Providence	State: RI	Zip: 02908

Name:	CCHP Health Partners	Telephone: 401-456-2000	
Address:	825 Chalkstone Avenue, Providence	State: RI	Zip: 02908

4. Name, title, address, phone, fax and e-mail for each transacting party and the affiliate hospitals of the President or CEO (Please copy the chart as needed):

St. Joseph Health Services of Rhode Island (“SJHSRI”):

Name: John M. Fogarty, President and CEO	Telephone: 401-456-3020	
Address: 200 High Service Avenue, North Providence	State: RI	Zip: 02904
Email: jfogarty@saintjosephri.com	Fax: 401-456-3028	

Roger Williams Hospital/Roger Williams Medical Center (“RWH/RWMC”):

Name: Kenneth H. Belcher, President and CEO	Telephone: 401-456-2025	
Address: 825 Chalkstone Avenue, Providence	State: RI	Zip: 02908
Email: kbelcher@rwmc.org	Fax: 401-456-2029	

CCHP Health Partners (“CCHP”):

Name: Kenneth H. Belcher, President and CEO	Telephone: 401-456-2025	
Address: 825 Chalkstone Avenue, Providence	State: RI	Zip: 02908
Email: kbelcher@rwmc.org	Fax: 401-456-2029	

5. Name, title, address, phone, fax and e-mail of one contact person for each transacting party for this application process (only if different from the President/CEO in Question 3):

For SJHSRI:

Name: Patricia K. Rocha, Attorney	Telephone: 401-274-7200	
Address: One Citizens Plaza, 8 th Floor, Providence	State: RI	Zip: 02908
Email: procha@apslaw.com	Fax: 401-351-4607	

For RWH/RWMC:

Name: Kimberly A. O’Connell	Telephone: 401-456-2498	
Address: 825 Chalkstone Avenue, Providence	State: RI	Zip: 02908
Email: koconnell@rwmc.org	Fax: 401-456-2029	

For CCHP:

Name: Patricia K. Rocha, Attorney	Telephone: 401-274-7200	
Address: One Citizens Plaza, 8 th Floor, Providence	State: RI	Zip: 02908
Email: procha@apslaw.com	Fax: 401-351-4607	

6. **EXISTING AFFILIATE HOSPITALS OF THE TRANSACTING PARTIES:** For each existing affiliate hospital of the transacting parties, please provide the following information and attach a copy of the current license (Please copy the chart as needed):

License Category: Hospital	
Name of Facility: Saint Joseph Health Services of Rhode Island Our Lady of Fatima Hospital	License Number: HOS00110
Address: 200 High Service Avenue North Providence, RI 02904	Telephone Number: (401) 456-3000
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Approved and Licensed Hospital Component	
Name of Facility: St. Joseph Hospital for Specialty Care	License Number: HOS00110-02
Address: 21 Peace Street, Providence, RI 02907	Telephone Number: (401) 456-4000
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Approved and Licensed Hospital Component	
Name of Facility: Fatima Health Center	License Number: HOS00110-15
Address: 40 Broad Street, Pawtucket, RI 02860	Telephone Number: (401) 726-3815
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Approved and Licensed Hospital Component	
Name of Facility: Greenville Rehab/St. Joseph Lab & Radiology	License Number: HOS00110-03
Address: 466 Putnam Pike, Greenville, RI 02828	Telephone Number: 401-456-3915/3916
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Approved and Licensed Hospital Component	
Name of Facility: St. Joseph Outpatient Rehabilitation	License Number: HOS00110-16
Address: 1637 Mineral Spring Avenue North Providence, RI 02904	Telephone Number: 401-456-3950
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Hospital	
Name of Facility: Roger Williams Hospital	License Number: HOS00108
Address: 825 Chalkstone Avenue, Providence, RI 02908	Telephone Number: 401-456-2000
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

Copies of the current licenses for the above referenced entities are included in Exhibits 1(A) and 1(B).

The Transacting Parties have produced all responsive documents.

7. **PROPOSED AFFILIATE HOSPITALS OF THE TRANSACTING PARTY HOSPITALS:** For each proposed affiliate hospitals of the transacting parties, please provide the following information and attach a copy of the current license (Please copy the chart as needed):

License Category: Hospital	
Name of Facility: Saint Joseph Health Services of Rhode Island Our Lady of Fatima Hospital	License Number: TO BE ASSIGNED
Address: 200 High Service Avenue North Providence, RI 02904	Telephone Number: (401) 456-3000
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Approved and Licensed Hospital Component	
Name of Facility: St. Joseph Hospital for Specialty Care	License Number: TO BE ASSIGNED
Address: 21 Peace Street, Providence, RI 02907	Telephone Number: (401) 456-4000
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Approved and Licensed Hospital Component	
Name of Facility: Fatima Health Center	License Number: TO BE ASSIGNED
Address: 40 Broad Street, Pawtucket, RI 02860	Telephone Number: (401) 726-3815
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Approved and Licensed Hospital Component	
Name of Facility: Greenville Rehab/St. Joseph Lab & Radiology	License Number: TO BE ASSIGNED
Address: 466 Putnam Pike, Greenville, RI 02828	Telephone Number: 401-456-3915/3916
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Approved and Licensed Hospital Component	
Name of Facility: St. Joseph Outpatient Rehabilitation	License Number: TO BE ASSIGNED
Address: 1637 Mineral Spring Avenue North Providence, RI 02904	Telephone Number: 401-456-3950
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

License Category: Hospital	
Name of Facility: Roger Williams Hospital	License Number: TO BE ASSIGNED
Address: 825 Chalkstone Avenue, Providence, RI 02908	Telephone Number: 401-456-2000
Type of Ownership ___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.	
Tax Status: ___ For-Profit <u>X</u> Non-Profit	

8. Estimate the date for the implementation of the proposed conversion, if approved:

Month/Year: **8 / 09 assuming approval from the Department of Health and Attorney General and all other conditions precedent to closing having been satisfied.**

9. Please provide a copy of the current health care facility's license(s) for the transacting parties and their affiliates.

See Exhibits 1(A), 1(B), 2(A) and 2(B).

The Transacting Parties have produced all responsive documents.

10. Please provide the name, address, phone number, occupation, and tenure of all officers, members of the board of directors, trustees, executives, and senior level managers, including for each position, current persons and persons holding position during the past three (3) years.

For SJHSRI, see Exhibit 3(A) and Exhibit 73 which includes information for Administrative Staff from 2008 to the present.

For RWH/RWMC, see Exhibit 3(B). The 2009 RWH administrative staff is the same as constituted in 2008.

For CCHP, it is contemplated that Edwin J. Santos and Rev. Monsignor Paul D. Theroux will serve as Chair and Vice Chair, respectively, of CCHP. Kenneth H. Belcher and John H. Fogarty will serve as President and Chief Executive Officer, and Executive Vice President and Chief Operating Officer, respectively of CCHP. The remaining officers, directors, board members, and senior level managers have not been determined as of the date of filing.

The addresses of Messrs. Santos, Belcher and Fogarty and Rev. Monsignor Theroux are:

Name:	Edwin J. Santos
Home Address:	234 Mourning Dove Drive, Saunderstown, RI 02874
Business Address	One Citizens Plaza, Providence, RI 02903
Occupation:	Executive Vice President and General Auditor, RBS Citizens NA
Position with Entity:	Chairman and Treasurer

Name:	Monsignor Paul Theroux, JCL
Home Address:	Saint Margaret's Rectory, 1098 Pawtucket Avenue, Rumford, RI 02916
Business Address	One Cathedral Square, Providence, RI 02903-3695
Occupation:	Vicar General, Diocesan Office Building
Position with Entity:	Vice Chairman

Name:	Kenneth Belcher
Home Address:	115 Monatiquot Avenue, Braintree, MA 02184
Business Address	825 Chalkstone Avenue, Providence, RI 02908-4735
Occupation:	President and Chief Executive Officer, Roger Williams Medical Center
Position with Entity:	President

Name:	John Fogarty
Home Address:	41 Alfred Drowne Road, Barrington, RI 02806
Business Address	200 High Service Avenue, North Providence, RI 02904
Occupation:	President and Chief Executive Officer, St. Joseph Health Services of RI
Position with Entity:	Secretary

11. Please provide a list of all committees, subcommittees, task forces, or similar entities of the board of directors or trustees, including a short description of the purpose of each committee, subcommittee, task force, or similar entity and the name, address, phone number, occupation, and tenure of each member.

For SJHSRI, see Exhibit 4(A) and Exhibit 74 which includes a description of the purpose of each committee, subcommittee, Task Force or similar entity. The name, address, phone number, occupation and tenure of each member is set forth in Exhibit 3(A) and Exhibit 73.

For RWH/RWMC, see Exhibit 4(B).

There are no committees, subcommittees, task forces or similar entities of the board of directors or trustees of CCHP.

12. Please provide agenda, meeting packages, and minutes of all meetings of the board of directors or trustees and any of its committees, subcommittees, task forces, or similar entities that occurred within the two (2) year period prior to submission of the application (beginning with January 1) to the present; including:
- a. Finance committee;
 - b. Any committee, which existed and/or was formed to study and/or discuss the proposed conversion;
 - c. Any committee, which existed and/or was formed to study and/or discuss any and all potential “partners” (including affiliations, mergers, acquisitions, purchases, or the like); and
 - d. Any committee, task force and/or other entity that discussed the proposed conversion and/or any other potential “partners” as described in subsection (c) above.

For SJHSRI, see Confidential Exhibit 5(A), Confidential Exhibit 75(A) and Confidential Exhibit 135 at C021572-C021577 for the 12/10/08 Board of Trustees presentation.

For RWH/RWMC, see Confidential Exhibit 5(B), Confidential Exhibit 75(B), Confidential Exhibit 135 and Confidential Exhibit 133, which includes minutes previously submitted with redactions in unredacted form.

There are no responsive documents for CCHP.

See indices of meeting minutes included in the indices binder. Confidential Exhibit 133 includes indices at C021250-C021254 and C021454 which reference redacted meeting minutes produced with the February, 2009 filing that are now produced unredacted in Confidential Exhibit 133.

Page 1 of the 12/13/07 RHW/RWMC Board of Trustees Annual Meeting is at C015677.

There are no minutes for the 8/9/07 Advisory Board meeting on the Hospital of the Future. See Confidential Exhibit 135 at C021578-C021663 for presentation circulated at the 8/9/07 meeting. The 8/08 Subsidiary Oversight Committee was cancelled. The 11/12/08 meeting minutes are at C015644-C015646.

The 3/19/08 and 6/23/08 minutes of the Joint Board of Trustees Affiliation Committee are at C006857-C006859 and C007096-C007098, respectively. There were no meetings of this committee on 4/28/08 or 6/22/08 and no minutes of the 4/30/08 meeting with the Attorney General’s office.

The 3/8/07 and 6/19/08 minutes of the RWH Quality & Credentials Committee of

the Board of Trustees are at C006291-C006315 and C015699-C015703, respectively. The RWH 3/27/07 and 9/25/07 Financial Audit Committee minutes are at C005091-C005152 and C005261-C005363, respectively. There was no meeting of the RWH Financial Audit Committee on 8/19/08.

The 8/14/07 meeting of the RWH Investment & Retirement Committee was cancelled. The RWH Quality & Credentials Committee of the Board of Trustees minutes for the 3/29/07 meeting are at C006291-C006315. The index inadvertently listed 3/8/07 as the meeting date.

See Confidential Exhibit 135 at C021664-C021665 for RWH 8/20/08 Governance and Nominating Committee minutes.

Except as noted above, the transacting parties have produced all responsive documents for the requested period in Confidential Exhibits 5(A) and 5(B), Confidential Exhibits 75(A), 75(B), Confidential Exhibit 133 and Confidential Exhibit 135.

13. Please provide each of the following applicable documents for each of the transacting parties:
- a. Certificate and Articles of incorporation and by-laws for corporation;
 - b. Certificate of Partnership and Partnership Agreement (for partnerships);
 - c. Certificates of Organization and Operating Agreement (for limited liability companies).

For SJHSRI, see Exhibit 6(A).

For RWH/RWMC, see Exhibit 6(B).

For CCHP, see Exhibit 71.

See Confidential Exhibit 122, bates stamped nos. C019679-19683 and C019684-19699; C019553-C019556 and C019557-C019572; and C019523-19549, for proposed revisions to articles of incorporation and Bylaws for SJHSRI and RWH and proposed Bylaws for CCHP, respectively.

The Transacting Parties have produced all responsive documents.

14. Please provide organizational charts for all of the transacting parties for prior and post conversion, including, but not limited to identifying all legal entities with direct or indirect ownership in or control, all related entities also owned or controlled by the same “parent” entity, the percentage of ownership or controlling interest among and between all such entities.

For SJHSRI, see Exhibit 7(A) and Exhibit 76(A).

For RWH/RWMC, see Exhibit 7(B).

See Exhibit 76(B) for organizational chart post conversion with percentage of ownership or controlling interest.

The Transacting Parties have produced all responsive documents.

15. Please provide organizational structure for existing transacting parties and each partner, affiliate, parent, subsidiary or related corporate entity in which the acquiror has a twenty percent (20%) or greater ownership interest.

For SJHSRI, see Exhibit 7(A) and Exhibit 76(A).

For RWH/RWMC, see Exhibit 7(B).

See Confidential Exhibit 77 for the following Union Agreements:

Federation of Nurses and Health Professionals, (“FNHP”) Local 5018 – RN Unit 2008-2010

Federation of Nurses and Health Professionals (“FNHP”), Local 5018 – Tech. Unit 2008-2010

United Nurses and Allied Health Professionals (“UNAP”)Local 5110 – 2008-2010

The above referenced agreements will remain unchanged post conversion. See side letters at C015801-C015802, C015875-C015876 and C015951-C015953E00 which describe how bargaining and non-bargaining units will be treated if services are moved between affiliates pursuant to the above referenced agreements.

At present SJHSRI maintains bargaining agreements with UNAP covering RNs working at the Fatima campus. In addition, St. Joseph maintains a bargaining agreement with FNHP covering RNs, LPNs and technical workers at the St. Joseph campus. It is intended under the conversion that SJHSRI will maintain its current contract with UNAP with the term to 2011 and renegotiate at that time. Members of FHNP at the St. Joseph campus will maintain under the representation of FNHP. Currently, there are no unionized employees at Roger Williams Hospital and the conversion proposes no changes in this situation.

Current agreements at SJHSRI with both UNAP and FNHP provide that in cases where a clinical service (i.e., department or nursing unit) is transferred from a unionized environment to a non-unionized environment at RWH, those employees become RWH employees without union representation and their years of seniority are honored. Conversely, RNs employed by RWH whose service transfers in its entirety to Our Lady of Fatima and become Fatima employees, become members of UNAP with seniority credits as well.

The Transacting Parties have produced all responsive documents.

16. Please provide conflict of interest statements, policies and procedures.

For SJHSRI, see Confidential Exhibit 8(A).

For RWH/RWMC, see Confidential Exhibit 8(B).

For CCHP, none.

Except as noted above, the Transacting Parties have produced all responsive documents.

17. Please provide names, addresses and phone numbers of professional consultants engaged in connection with the proposed conversion.

Applied Management Systems, Inc.
3 New England Executive Park
Burlington, MA 01803
Paul D. Camara, Vice President
Telephone: (781) 272-8001

Cambridge Research Institute
929 Massachusetts Avenue, Suite 02B
Cambridge, MA 02139
Stephen D. Gelineau, Senior Vice President
Telephone: (617) 492-3800

Deloitte Corporate Finance
Two World Financial Center
222 Liberty Street
New York, NY 10281
Simon Gisby, Managing Director
Telephone: (212) 436-2000

Ernst & Young, LLP
200 Clarendon Street
Boston, MA 02116
William Webber, Partner
Telephone: (617) 585-0902

Genesis Communications
684 Waterman Avenue
East Providence, RI 02914
Michael Trainor, President
Telephone: (401) 808-8100

Kalandavis LLC
39 Potomac Street
West Roxbury, MA 02132
Kenneth A. Davis
Telephone: (617) 327-7888

McGladrey & Pullen, CPAs
7 New England Executive Park, Suite 320
Burlington, MA 01830
Karl Baker, Partner
Telephone: (781) 685-3500

18. Please provide copies of the audited income statements, balance sheets, other financial statements, and management letters for the past three (3) years, audited interim financial statements and income statements, together with a detailed description of the financing structure of the proposed conversion including equity contribution, debt restructuring, stock issuance, partnership interests, stock offerings and the like, and unaudited financial statements (where audited financial statements are unavailable), including:
- a. Any and all financial projections for each transacting party and its affiliates for any period included in the fiscal years from prior three fiscal years;
 - b. Any and all assessments, reports or evaluations, financial or otherwise, of the transacting parties and/or their affiliates performed in anticipation of any proposed affiliation, purchase, merger, or other such transaction for the prior three calendar years, by whomever prepared (internal or external experts or consultants, or in combination), for the prior three fiscal years, including, but not limited to, analyses of financial strengths, weaknesses and/or viability;

See Pro Forma at Confidential Exhibit 9(C) and 78(C), prepared by Deloitte Corporate Finance, LLC. (the “Deloitte Report”)

For SJHSRI, see Confidential Exhibit 9(A) and Confidential Exhibit 78(A), including the management letter for year ending 9/30/08, audited financial statement for year ending 9/30/08, and unaudited financial statements from the last audited financial to the present. There is no management letter for year ending 9/30/06.

For RWH/RWMC, see Confidential Exhibit 9(B) and Confidential Exhibit 78(B) including RWH audited financial statements for September 30, 2008 and 2007. There are no management letters issued for RWMC for FY 2007 and 2008. There is no separate management letter issued for RWMC FY 2006 – see RWH management letter FY 2006, at C009291-C009298, and Confidential Exhibit 135 at C021666.

RWMC Audited Financial Statements include:

- **Roger Williams Hospital (Separate Audited Financial Statement for Hospital stand alone)**
- **Roger Williams Medical Center, Inc.**
- **Roger Williams Realty (Separate HUD-A-133 report issued)**
- **Elmhurst Health Associates**
- **Physician Office Building**
- **Rosebank Corporation**
- **Roger Williams Medical Associates**
- **Elmhurst Extended Care (Separate Audited Statements issued for Calendar Year) (Note: period reported under in RWMC statements reflect 9/30 fiscal year period)**

- c. Indicate the financing mix for the capital cost of this proposal (Please complete the chart):

Source	Amount	Percent	Interest Rate	Terms (Yrs.)
Equity*	\$	%		
Debt**	\$	%		
Lease **	\$	%	%	
TOTAL	\$	100%		

* Equity means non-debt funds contributed towards the capital cost of an acquisition or project that are free and clear of any repayment obligation or liens against assets, and that result in a like reduction in the portion of the capital cost that is required to be financed or mortgaged (R23-15-CON).

** If debt and/or lease financing is indicated, please complete **Appendix C**.

There are no capital costs required to effectuate the proposed conversion and, therefore, (c) is not applicable. See response to 18(e) which identifies projected capital needs post conversion.

- d. Estimated post-closing balance sheets, including estimated liabilities and contingent liabilities and scope thereof, for each transacting party and all affiliate entities;

See Confidential Exhibit 9(C) and Confidential Exhibit 9(D) and Confidential Exhibit 78(C), bates stamped C016077–C016096 which includes the basis of estimates.

- e. A list of transacting parties and their affiliates' substantial capital needs, including, but not limited to, the projected source(s) of funding to satisfy these needs, the cost of satisfying these needs and a date when the needs are expected to be satisfied, including, but not limited to, funding for systems interface and/or integration:

The current plan is to address capital improvements through operations. Capital budgets are developed annually as part of the budget process and capital allocations are dependent on the operational budget results. With the exception of a handful of specific projects, RWH and SJHSRI have allocated the approved capital funds based on an emergency capital process due to the limited resources. The lists at Confidential Exhibit 9(E) and 9(F) identify items that will likely need to be addressed in the short term and other long

term items that the organization would like to address if access to capital became available.

The process to allocate capital is expected to remain the same for the short term.

See Confidential Exhibit 78(D) and 78(E) which identify projected capital needs post conversion.

- f. A summary schedule of cash receipts and disbursements, including source(s) of cash, payee(s) and reason(s) for disbursement(s), for the prior three fiscal years for the transacting parties and all affiliate entities; and

See Confidential Exhibit 9(G) and Confidential Exhibit 9(H).

- g. The following budget information for each transacting party and its affiliates:
1. Any and all proposed budgets for any fiscal years during the period from next three fiscal years;

See Confidential Exhibit 9(C) and Confidential Exhibit 78(C) and 78(F), which includes the CCHP budget.

2. Budgets, including comparisons to actuals, for the most recently completed fiscal year; and

For SJHSRI, see Confidential Exhibit 9(I).

For RWH/RWMC, see Confidential Exhibit 9(J).

3. Budgets, including comparisons to actuals, for the current year-to-date.

For SJHSRI, see Confidential Exhibit 9(I).

For RWH/RWMC, see Confidential Exhibit 9(J).

The Transacting Parties have produced all responsive documents.

19. Please provide a detailed description of real estate issues including title reports for land owned and lease agreements concerning the proposed conversion including the following information for all properties owned, leased, operated, or used by each transacting party and its affiliates within the last three (3) years;

a. The address for each property;

For SJHSRI, see Exhibit 10(A).

For RWH/RWMC, see Exhibit 10(B).

b. All lease agreements concerning the proposed conversion; and

There are no lease agreements concerning the proposed conversion. See Confidential Exhibits 80(A) and 80(B) for existing leases.

c. Any and all documents related to the proposed sale or development of property owned by the transacting parties and/or their affiliates, including but not limited to, strategic utilization plans of real estate of each of the transacting parties and/or their affiliates, real estate appraisals, encumbrances, business plans, strategic planning, and endowment planning (including a quantification of any current endowments of each such transacting party or their affiliate).

No real estate transactions are contemplated as part of the proposed conversion at this time. See Confidential Exhibits 79 and 80(B) for title reports and/or deeds.

The Transacting Parties have produced all responsive documents.

20. Please provide a detailed description as each relates to the proposed transaction for equipment leases, insurance, regulatory compliance, tax status, pending litigation or pending regulatory citations, pension plan descriptions and employee benefits, environmental reports, assessments and organizational goals.

Since the new hospitals created as part of the new healthcare system, CCHP, will remain separately licensed acute care hospitals, there is no anticipated change or effect on equipment leases, regulatory compliance, tax status, pending litigation, pending regulatory, citations, pension plan descriptions, employee benefits, environmental reports and assessments.

Post-conversion, the organizational goals will be coordinated by CCHP, and are delineated in the Inaugural Strategic Plan at Confidential Exhibit 44 and Confidential Exhibit 81.

With regard to insurance post-conversion, the following is anticipated:

With regard to professional liability, general liability, business travel, auto liability, umbrella liability and patient trust fund bond, post-conversion RWH and SJHSRI all continue to maintain separate insurance policies, and CCHP shall be named as an additional insured on each.

With regard to workers' compensation insurance, post-conversion RWH and SJHSRI will maintain separate insurance policies. A workers' compensation insurance policy will be purchased for CCHP corporate employees.

With regard to crime, fiduciary, and director and officers liability/employment practices liability insurance, post-conversion RWH and SJHSRI will maintain their current coverage, and add CCHP to the existing policies to cover the added exposure. Upon renewal of these policies, a single policy will be purchased to cover CCHP at higher limits. Current policies would then be placed in run off.

With regard to property insurance, post-conversion RWH and SJHSRI will maintain separate coverage. If CCHP obtains property, it would be added to existing policies with separate limits.

See Confidential Exhibit 82 and Confidential Exhibit 129 for information concerning equipment leases, insurance, tax status, pending litigation or pension plan description and employee benefits, environmental reports and assessments. See response to Question 26 for SJHSRI regulatory compliance information.

There will be no changes to the information in Confidential Exhibit 82 and 129 once the new hospitals are licensed.

21. Please provide copies of reports analyzing the proposed conversion during the past three (3) years including, but not limited to, reports by appraisers, accountants, investment bankers, actuaries and other experts.

For SJHSRI, see Confidential Exhibit 9, 11(A), 18(A) and 18(B).

For RWH/RWMC, see Confidential Exhibit 9, 11(B), 18(A), 18(B), 19(A) and 19(B), and Confidential Exhibit 83.

For SJHSRI and RWH/RWMC, see Confidential Exhibit 9(C).

For CCHP, see Confidential Exhibit 9(C).

All reports analyzing the proposed conversion during the past three years have been produced by the Transacting Parties.

The Transacting Parties have produced all responsive documents.

22. Please provide copies of any opinions or memoranda addressing the state and federal tax consequences of the proposed conversion prepared for a transacting party by an attorney, accountant, or other expert.

For SJHSRI, see Confidential Exhibit 68.

For RWH/RWMC, none.

For CCHP, none.

Except as noted above, the Transacting Parties have produced all responsive documents.

23. Please provide a description of the manner in which the price was determined including which methods of valuation and what data were used, and the names and addresses of persons preparing the documents, and this information is deemed to be proprietary.

The proposed conversion includes an affiliation arrangement, not an acquisition or merger and, therefore, there is no purchase price.

24. Please provide patient statistics for the past three (3) years and patient projections for the next one year including patient visits, admissions, emergency room visits, clinical visits, and visits to each department of the hospital, admissions to nursing care or visits by affiliated home health care entities;

- a. Including, but not limited to, inpatient and outpatient services, including but not limited to, Alzheimer's/memory loss, behavioral medicine, cardiac surgery, cardiology, emergency medicine, geriatrics, gynecology, hematology, infectious diseases, mental health, nephrology, neurology, neurosurgery, oncology, ophthalmology, orthopedics, pediatrics, pulmonary, radiology, rehabilitative services including, audiology, speech/language pathology, hand & upper extremity therapy, occupational therapy, physical therapy, and sports rehabilitation; psychiatry, internal medicine, and primary care. (Please use the following chart.);

For SJHSRI, see Exhibit 12(A) and Exhibit 84(A).

For RWH, see Exhibit 12(B) and Exhibit 84(B).

- b. Please provide the projected census for inpatient adult psychiatric/behavioral health patients and outpatients for the next five (5) years; and

For SJHSRI, see Exhibit 12(A).

For RWH, see Exhibit 12(B).

- c. Please provide the projected census for inpatient pediatric psychiatric/behavioral health patients and outpatients for the next five (5) years.

For SJHSRI, not applicable.

For RWH, see Exhibit 12(B) – RWH does not serve the pediatric population for psychiatric/behavioral services. RWH does not expect to serve this patient population in the future.

For CCHP and RWMC, there are no responsive documents because they are not licensed health care facilities and do not provide medical services.

Except as noted above, the Transacting Parties have produced all documents.

25. Please provide the name and mailing address of all licensed facilities in which the for-profit corporation maintains an ownership interest or controlling interest or operating authority.

Not applicable.

26. Please provide a list of pending or adjudicated citations, violations or charges against the facilities listed in number 3 brought by any governmental agency or accrediting agency within the past three (3) years and the status or disposition of each matter with regard to patient care and charitable asset matters.

For SJHSRI, see Exhibit 13(A) and Exhibit 85.

For RWH/RWMC, see Exhibit 13(B) and Confidential Exhibit 135 at C021667-C021693.

For CCHP, none.

27. Please provide copies of all documents related to:

- a. Identification of all charitable assets;
- b. Accounting of all charitable assets for the past three (3) years; and

For SJHSRI, see Confidential Exhibit 14(A) and Confidential Exhibit 123(A), including an identification of all charitable assets and supporting documents, C019828-C020239 (indices identifying the documents divided into six sections are found at C019828, C019877, C019928, C019984, C020064 and C020125. An accounting of all charitable assets for the past three years, is set forth at C020181-C020239.

For RWH/RWMC, see Confidential Exhibit 14(B), Confidential Exhibit 123(B) and Confidential Exhibit 125 which include an identification of all charitable assets and supporting documents, C020241-C020451, and an accounting of all charitable assets for the past three years, C020453-C021189.

- c. Distribution of the charitable assets including, but not limited to, endowments, restricted, unrestricted and specific purpose funds as each relates to the proposed transaction.

There will be no distribution of SJHSRI and RWH/RWMC charitable assets (including, but not limited to, endowments, restricted, unrestricted and specific purpose funds) related to the proposed transaction.

For CCHP, not applicable.

Except as noted above, the Transacting Parties have produced all responsive documents.

28. Please provide the following information:

- a. A list of uncompensated care provided over the past three (3) years by each facility listed in subdivision (25) and detail as to how that amount was calculated;

Not applicable.

- b. A description of charity care and uncompensated care provided by the existing hospital for the previous five (5) year period to the present, including a dollar amount and a description of services provided to patients (Please complete Appendix D separately for each of the transacting parties and/or their affiliates);

For SJHSRI, see Exhibit 15(A) and Exhibit 124(A).

For RWH, see Exhibit 15(B) and Exhibit 124(B). Elmhurst Extended Care (“EEC”) does not record charity care. See Appendix D-3 which identifies EEC bad debt.

- c. A description of bad debt incurred by the existing hospital for the previous five (5) years for which payment was anticipated but not received; and

For SJHSRI, see Exhibit 15(A).

For RWH, see Exhibit 15(B).

- d. Identify the reasons for any discrepancies between responses to sections a through c above, if any.

Not applicable.

For CCHP and RWMC, not applicable because they are not licensed healthcare facilities and do not provide medical services.

29. Please provide a description for the donor restricted gifts, including, the date of the gift, the value of the gift at the time it was received by the transacting parties and/or its affiliates, the present value of the gift, and the restriction(s) on the gift and any legal document(s) that created each gift. (Please include the completed attached chart.)

For SJHSRI, see Confidential Exhibit 16(A) and Confidential Exhibit 123(A) at C019828 –C020239.

For RWH/RWMC, see Confidential Exhibit 16(B) and Confidential Exhibit 125.

For CCHP, none.

30. Please provide a description of the plan as to how the new hospital will provide community benefit and charity care during the first five (5) years of operation.

The new hospitals created as part of the new healthcare system, CCHP Health Partners, will continue providing the services SJHSRI and RWH currently provide. Both will continue to provide their current levels of community benefit and charity care during their first five (5) years of operation consistent with their policies at Exhibits 17(A) and 17(B), respectively. Currently, SJSHRI provides charity care at levels greater than detailed in the Hospital Conversion Act rules and regulations in that SJHSRI provides charity care to all individuals that fall within the income threshold regardless of their US citizenship, Rhode Island residence or their insurance status. While citizenship/residence status is requested on the SJHSRI Charity Care Application, SJSHRI continues to provide services regardless of the applicant's US citizenship status. The new hospitals will continue to provide any and all medically necessary services to patients regardless of ability to pay. Upon affiliation, both Hospitals will work to adopt a joint Charity Care Policy and Form that meets all state and federal rules and regulations for the provision of charity care. Refer to Question 28 for guidelines/criteria for full or partial charity care.

For SJHSRI, community benefit will be provided consistent with current practice and will include but not be limited to the following types of programs and/or services:

- **Support groups-cancer, stroke, etc.**
- **Free transportation**
- **Physician referral services**
- **Community health screenings**
- **Lectures, conferences, workshops for health education**
- **Health Fairs**
- **Blood Drives**
- **Interaction with public schools**
- **Children's Christmas party (South Providence)**
- **Free Flu and Immunization Clinics**
- **Hospital supported Schools of Nursing, Medical Technology and Cytotechnology**
- **Collaboration with other organizations (American Heart Association, United Way, American Cancer Society**
- **Health Center instruction activities (CPR, First Aid, Child Birth, Breast Feeding, Diabetes)**

For RWH, It has a robust program of community outreach, health screenings, and free education. Free programs provided annually by RWH include screenings for prostate and breast cancer, a Mini Medical School, community outreach clinics,

community educational services, community task forces and community health fairs that attracted more than 20,000 Rhode Islanders in the last fiscal year.

RWH is also home to several support groups for medical conditions ranging from cancer to addictions to obesity, including Blood and Marrow Cancer Support Group (jointly with Leukemia and Lymphoma Society), Chronic Hepatitis C Support Group, “Weigh To Win” support group for gastric bypass patients. RWH is involved in a number of education initiatives including a student nurse internship program for nursing students at Rhode Island College, Community College of Rhode Island, and the University of Rhode Island and a partnership with the William B. Cooley / Health & Science Technology Academy to educate and orient students to careers in health care.

RWH also holds an annual Cancer Survivors’ Day, quarterly blood drives, and free flu clinics in the community through its Home Care Department. A small sampling of 2008 RWH programs that benefitted the community:

- **CCRI Health Fair**: *Provided screenings including blood pressure, cholesterol/glucose, thyroid, and oral exams to more than 600 people. Also offered an “Ask The Pharmacist” program.*
- **Community Presentation at St. Aidan’s Church**: *Presentation by a surgeon to 300 people on options for living with knee pain.*
- **AgeWell ’08 Health Fair**: *Free community health fair that offered physician lectures, screenings including skin, blood pressure, and thyroid to 300 seniors.*
- **Prostate Cancer Screening**: *Free screening that reaches almost 100 men annually.*
- **Mini Medical School**: *Free annual four week program on health attended by almost 100 people.*
- **Greater Providence Business Expo**: *Provided free health information and screenings including blood pressure, cholesterol/glucose, thyroid, and oral exams to more than 2,000 people. Also offered an “Ask The Doctor” and “Ask The Pharmacist” program.*

During the first five (5) years of operation, repeating annual events, cancer screenings, support groups, educational initiatives, and Mini Medical School, will continue subsequent to the proposed affiliation. Those events that are not necessarily repeated will be replaced with different community task forces, health fairs and educational services. The efficiencies generated by the proposed affiliation will provide additional funding for these and future community benefit programs.

For SJHSRI, its Financial Assistance application contains all required information as set forth in the Rules and Regulations Pertaining to Hospital Conversions. The asset section is not included as it is not required to be included as stated in Section 18(k) of the Rules and Regulations. Its application is formatted for ease of use; *i.e.*, printed on more than one sheet of paper with larger fonts. It has included an expense section in order to permit “presumptive charity” (which is included in SJHSRI policy) which goes above and beyond what is required in the Act and Rules and Regulations.

Its Financial Assistance application, as well as other required information was submitted to the Rhode Island Department of Health upon adoption of the change in the Act and annually as requested by the Department of Health. No changes have been made to the application since the initial filing.

For RWH, RWH is using the standardized Application for Hospital Financial-Aid utilizing all of the information required in the Rules and Regulations Pertaining to Hospital Conversions. The following are the only changes that were made to the document:

- **The form has been enlarged to provide our patients with sufficient space to write the information on the form. The enlarged format reduced the family until section from six to three.**
- **In the hospital reviewer section, we added the following items used for mandatory reporting to the Department of Health:**
 - **Maximum Income Allowed**
 - **% of Federal Poverty Level**

For RWH, Procedural guidelines/criteria for full or partial charity care include:

- **A free care application is completed by the patient to assess eligibility**
- **Applications are reviewed by appropriate staff and free care and sliding scale discounts will be considered on self-pay balances and for patient’s whose insurance carrier has rejected a claim.**
- **Patient Accounts Office will notify patient in writing regarding final decision of the application.**
- **Patients may appeal decision directly to Director of Patient Financial Services.**
- **Patients are required to provide proof of financial information and/or sign written statement provided by hospital.**

Eligibility:

- **Residency- hospital's primary demographic area.**
- **Income Level – determines full or partial discount**
 - **guidelines in accordance to DOH standards**

See response to Question 31 describing monitoring and valuing charity care services and community benefit.

For RWMC and CCHP, not applicable, as they are not licensed healthcare providers and do not provide medical services.

31. Please provide a description of how the new hospital will monitor and value charity care services and community benefit.

Charity Care:

The new hospitals created as part of the new healthcare system, CCHP Health Partners, will continue providing services as noted in response to Question 28 and Question 30. RWH and SJHSRI follow the Department of Health guidelines for determining eligibility for charity care in full and for partial. The providers will continue to monitor and report charity care to the Department of Health and any other regulatory body as required. Charity Care provided is also disclosed in Audited Financial Statements. The method of valuation of such services will be consistent post-affiliation; valuation is tracked both at gross charges and costs (based on hospital's RCC).

Community Benefit:

RWH and SJHSRI currently maintain robust programs of community outreach, health screenings, and free education. Both SJSHRI and RWH intend to use best efforts to continue their community outreach initiatives regardless of the affiliation. However, the organizations believe the economic efficiencies and financial stability generated by the affiliation will enhance their ability to continue their community outreach programs and grow these existing programs in the future. Included among the annual outreach efforts are free screenings for prostate cancer and breast cancer, a Mini Medical School, community outreach clinics, community educational services, community task forces and community health fairs. As required by the Department of Health, RWH and SJHSRI will continue to monitor and report these community benefits programs on an annual basis.

For SJHSRI:

Process for Charity Care Applications

Our Lady of Fatima Hospital/St. Joseph Hospital for Specialty Care

- Patient presents (either in person or via telephone) requesting financial assistance.
- Business Office Coordinator meets with patient on site to screen for eligibility.
- Application with instructions given to patient.
(If assistance is necessary to complete application, Business Office Coordinator will assist at that time.)
- Once Application completed, it is forwarded to Patient Financial Services for determination.
- Once determination made, a letter is sent to patient reflecting the status of such request.

Hospital Financial Assistance representative interviews all self-pay patients after admission to see if eligible for Medical Assistance. If patient is not eligible for

medical assistance, hospital representative will provide patient with Financial Assistance Application.

St. Joseph Health Center

- Financial Resource Counselor is located on 1st floor, office near Walk-In Clinic area.
- Patients may wait to speak with counselor or make an appointment at a later date.
- Counselor determines if patient / family qualifies for Rite Care / Medicaid or Hospital Financial Assistance.
- Counselor completes appropriate application and files it with appropriate agency.

SJHSRI monitors overall value of charity (on the basis of charges) provided on a monthly basis on both inpatient and outpatient services as compared to budgeted and historical values.

Process for monitoring Community Benefit Services

See Exhibit 88, policy # FD-92-A-206, Community Benefit Services Recognition & Reporting and Reporting form which establishes the procedure to identify and record the community service efforts of SJHSRI. SJHSRI has recently updated (April 2009) this policy which clearly defines examples of community benefit functions and services. Function Organizers will be required to complete a Community Service Assessment form which will be utilized to track the type of the community benefit, the facility provided along with the value of staff volunteer time supplies and/or equipment usage. SJSHRI's current audited financial statements from fiscal year 2008 demonstrate that SJSHRI provided \$72,273 in community benefit for that year. While these numbers include only direct supply expenditures associated with the community benefit event, the new policy will allow SJSHRI the opportunity to more accurately track the financial impact of community benefit in the future by identifying all costs.

For RWH, free programs provided annually by RWH include screenings for prostate and breast cancer, a Mini Medical School, community outreach clinics, community educational services, community task forces and community health fairs that attracted more than 20,000 Rhode Islanders in the last fiscal year.

RWH is also home to several support groups for medical conditions ranging from cancer to addictions to obesity, including Blood and Marrow Cancer Support Group (jointly with Leukemia and Lymphoma Society), Chronic Hepatitis C Support Group, "Weigh To Win" support group for gastric bypass patients. RWMC is involved in a number of education initiatives including a student nurse internship program for nursing students at Rhode Island College, Community

College of Rhode Island, and the University of Rhode Island and a partnership with the William B. Cooley / Health & Science Technology Academy to educate and orient students to careers in health care.

RWH also holds an annual Cancer Survivors' Day, quarterly blood drives, and free flu clinics in the community through its Home Care Department.

A small sampling of 2008 RWH programs that benefitted the community:

- **CCRI Health Fair**: *Provided screenings including blood pressure, cholesterol/glucose, thyroid, and oral exams to more than 600 people. Also offered an "Ask The Pharmacist" program.*
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- **Prostate Cancer Screening**: *Free screening that reaches almost 100 men annually.*
- **Mini Medical School**: *Free annual four week program on health attended by almost 100 people.*
- **Greater Providence Business Expo**: *Provided free health information and screenings including blood pressure, cholesterol/glucose, thyroid, and oral exams to more than 2,000 people. Also offered an "Ask The Doctor" and "Ask The Pharmacist" program.*

RWH will be implementing a new policy in May 2009 addressing an improved process for monitoring community benefit. Those individuals organizing community benefit functions will be required to complete a Community Service Assessment form which will be utilized to track the type of the community benefit, the facility provided along with the value of staff volunteer time supplies and/or equipment usage. The new policy will allow RWH the opportunity to more accurately track the financial impact of community benefit in the future by identifying all costs.

For RWMC and CCHP, not applicable, as they do not provide medical services.

32. Please provide the names of persons currently holding a position as an officer, director, board member, or senior level manager who will or will not maintain any position with the new hospital and whether any said person will receive any salary, severance, stock offering or any financial gain, current or deferred, as a result of or in relation to the proposed conversion, including, but not limited to, the individual's job description, employment or other contract or agreement to provide services under this corporate title, and total compensation, including, but not limited to, salary, benefits, expense accounts, membership, 401K, retirement plans, contribution agreements, benefit agreements and any other financial distributions of any kind, including deferred payments or compensation.

It is contemplated that Edwin J. Santos and Rev. Monsignor Paul D. Theroux will serve as Chair and Vice Chair, respectively, of CCHP. Kenneth H. Belcher and John H. Fogarty will serve as President and Chief Executive Officer, and Executive Vice President and Chief Operating Officer, respectively of CCHP. None will receive any salary, severance, stock offering or any financial gain, current or deferred, as a result of or in relation to the proposed conversion. Messrs. Belcher and Fogarty will receive compensation for their services. The remaining officers, directors, board members, and senior level managers have not been determined as of the date of filing.

See Exhibit 89 for copies of Messr. Belcher and Fogarty's curriculum vitae.

As noted previously in this response, the initial board of CCHP will consist of Edwin J. Santos and Reverend Monsignor Paul D. Theroux who will serve as Chair and Vice Chair respectively. Kenneth H. Belcher and John M. Fogarty will serve as President and Chief Executive Officer and Executive Vice President/Chief Operating Officer, respectively of CCHP. None will receive any salary, severance, stock offering or financial gain as a result of the proposed conversion.

Messrs. Belcher and Fogarty will receive compensation for their services as health system executives. To date, their CCHP salary and any other aspects of employment benefits have not been determined. These compensation packages will be determined by the CCHP trustees after an appropriate review of prevailing industry rates for health system executives at similarly sized facilities in the greater New England area and shall be set so as to pay market reasonable compensation levels that reflect community standards for similar positions.

Job descriptions for the Chief Executive Officer and Chief Operating Officer positions have not been developed at the system level for CharterCARE as yet. However, a general description of the anticipated job duties is listed below:

System Chief Executive Officer: The system CEO shall be accountable to the CCHP Board of Trustees for the following responsibilities: Development oversight and implementation of the CCHP's system's strategic plan, implementation of system-wide quality initiatives in collaboration with medical staff leadership, selection and oversight of key system executives, outreach to community and governmental leaders to assure the system's responsiveness to community needs and assuring efficient system operations in a way that make prudent use of financial resources and reimbursement related to the system's operation.

System Chief Operating Officer: The system Chief Operating Officer of CCHP will report to the system Chief Executive Officer and will have the following overall responsibilities: assuring coordination and oversight between the two hospital affiliates, direct oversight of day-to-day operations and collaboration with the appropriate senior and middle management personnel in the areas of clinical and facility services, close collaboration with medical staff leaders and staff members to insure operational implementation of the system quality and patient care objectives, development of services and collaboration with medical staff and management that reflect the changing needs of the community served by CCHP, ensuring employment practices and human resource programs that reflect a high standard for excellence among all members of the work force.

33. Please provide copies of capital and operating budgets or other financial projections for the new hospital during the first three (3) years of operation.

See Confidential Exhibit 90, which includes projected financial statements, balance sheets, income statements, and statements of cash flow for the new hospitals created as part of the new health care system, CCHP, as well as CCHP itself.

The Transacting Parties have produced all responsive documents.

34. Please provide copies of plans relative to staffing during the first three (3) years at the new hospital.

Staffing at the new hospitals created as part of the affiliation will remain consistent with current levels as outlined in Confidential Exhibit 72, and in the plan of efficiencies at Confidential Exhibit 35.

The staffing levels required to support the new hospitals created after the conversion will be identical to the staffing levels provided in response to Question 46 which are those that shall be maintained for Our Lady of Fatima and at RWH, respectively.

With regard to plans for relocating and retraining personnel, no specific plans for retraining personnel have been developed or exist at this time. However, it is the parties' intent to engage in the appropriate in-service training that would be employed for any newly hired employee in cases when a staff member is transferring to a new department or hospital setting between the Roger Williams and Fatima campuses.

With regard to collective bargaining, as noted in response to question 15, collective bargaining agreements in place at SJHSRI with FNHP and UNAP are active through September of 2011 and shall remain in effect and be renegotiated prior to their expiration as is consistent with current practice. As noted earlier employees in departments that transfer completely (i.e. a department or nursing unit) between campuses shall be covered under any existing collective bargaining agreement should they transfer to the Fatima site. Conversely, employees in a collective bargaining unit at Fatima who transfer to a Roger Williams/non-unionized site shall move out of the collective bargaining agreement with credit for their seniority. This agreement is already in place in the existing union contract at St. Joseph Health Services. See Confidential Exhibit 77, for copies of the referenced agreements.

With regard to the effect of consolidated or integrated human resources and or other administrative, support and clinical function post conversion, the parties envision the following scenario:

HR activity will be consolidated under a single human resource executive who will assume responsibility for the overall functioning of the human resource and labor relations functions at both organizations. This individual (not yet appointed) will require expertise in the human resource functions of compensation/benefits, employee relations, policy and procedure development, and union/labor relations. This individual will oversee the operation of the human resources functions at both hospitals. Each hospital will maintain a site manager for human resources at each affiliate hospital campus who will be responsible for overseeing the day to day operations of said department. It is anticipated that there will be a slight decrease in human resource personnel as indicated in the plan of efficiencies (4 FTEs).

The Transacting Parties have produced all responsive documents.

35. Please provide:
- a. A list of all medical services, departments, clinical services, and administrative services that shall be maintained at the new hospital; and,
 - b. A list of all medical services, departments, clinical services, and administrative services that are currently maintained at each affiliate hospital of the transacting parties.

See Confidential Exhibit 64.

36. Please provide a list of all medical services, that are proposed to be changed at each hospital of the transacting parties.

See Confidential Exhibit 65.

37. Please provide a description of criteria established by the board of directors of the existing hospital for pursuing a proposed conversion with one or more health care providers.

For SJHSRI, see Confidential Exhibit 18(A) and 18(B).

For SJHSRI and RWH, see Confidential Exhibit 18(A), 18(B) and 19(A).

Steve Gelineau, of Cambridge Research Institute (“CRI”) reviewed the CRI studies included in Confidential Exhibit 18 with the Boards of Directors for SJHSRI and RWH. The criteria for pursuing a proposed conversion with one or more health care providers adopted and established by the Boards of Directors for SJHSRI and RWH included financial health, market position, service area, service portfolio, critical mass, clinical quality, culture, infra-structure, mission and intangibles as more fully set forth at C0011481.

Neither hospital took an official vote to adopt such criteria, but acted consistent with the criteria set forth above. Accordingly, there is no documentation with respect to the criteria that was adopted and established by the Boards of Directors of SJHSRI and RWH.

For RWMC and CCHP, not applicable as they are not existing hospitals.

38. Please provide copies of reports of any due diligence review performed by each transacting party in relation to the proposed conversion. These reports are to be held by the attorney general and department of health as confidential and not released to the public regardless of any determination made pursuant to RI General Laws § 23-17.14-32 and notwithstanding any other provision of the general laws. Please include a description of the plans for ongoing due diligence efforts by the transacting parties and their affiliates throughout the proposed conversion review and other regulatory reviews, up to and including the Effective Date.

For SJHSRI, see Confidential Exhibits 11(A) and 18(A).

For RWH/RWMC, see Confidential Exhibits 11(B), 18(B), 19(A) and 19(B).

For SJHSRI and RWH/RWMC, see Confidential Exhibit 9(C), Confidential Exhibit 78(C) and Confidential Exhibit 90.

The projections for CCHP at C009607–C009634 and Exhibit 78(C) were prepared by Deloitte Corporate Finance. The transacting parties continue to update due diligence monthly.

The Transacting Parties have produced all responsive documents.

Documents and information was exchanged by the Transacting Parties and their affiliates for due diligence purposes. The following categories of documents and information were exchanged and reviewed:

- **Organization and management charts**
- **Descriptions of the parties control relationship with affiliates and each entity's line of business**
- **Certificates of Incorporation, bylaws, partnership and joint venture agreements and any amendments**
- **List of current officers, members, directors and trustees**
- **Minutes and resolutions of all members/shareholders and all director/trustee meeting held in the last 3 years to date**
- **List of all current joint ventures, partnerships or affiliations**
- **List and description of all non affiliate entities in which an equity membership interest is held other than exclusively for investment purposes**
- **Copies of resolutions by governing boards and members of each party authorizing the execution and delivery of the MOU**
- **Copies of resolutions by governing boards and members of each party authorizing the execution and delivery of, and the performance under the Definitive Agreement**
- **List and copies of all material federal state and local operating permits, licenses and approvals presently in effect**

- **Copy of the most recent survey and report (including correspondence) by JCAHO and any other accrediting organization**
- **Copies of any deficiency reports and plans of correction received or issued to JCAHO and any other accreditation organization**
- **Copies of reports, notices and correspondence received from or issued to a governmental regulatory agency regarding regulatory non-compliance with any material rule, regulation or requirement (including deficiency reports and plans of correction)**
- **Copies of responses to the last AHA Annual Survey of Hospitals**
- **List and description of all CON applications, agreed settlements and final decisions filed or received in the last three full calendar years and current year to date**
- **List and description of any material restrictions or conditions imposed by a CON**
- **Description of the status of any approved but not yet implemented CON**
- **An update regarding any CON submitted, but not yet reviewed or determined**
- **Copies of all IRS determination letters or private letter ruling**
- **Copies of all federal income tax filings of the parties and affiliates for the last 3 years**
- **Copies of all audited financial statements with independent auditor's reports and management letters, for the past 3 fiscal years**
- **Copies of the most recent YTD financial statements**
- **Copies of all correspondence, findings and reports regarding any IRS audit or state revenue agency conducted at any time during the last 3 full calendar years and the current year to date**
- **A list, description and copies of all documents and agreements evidencing outstanding indebtedness, including Official Statements**
- **A list of all current capital, real estate and other major equipment leases where lease payments exceed \$50,000 annually, and installment purchases and purchase options where the total purchase price exceeds \$100,000**
- **Copies of existing Hill-Burton documents**
- **Copy of each party's policy concerning indigent free care and a written summary of bad debt and free care experience for the last 3 fiscal years**
- **Copies of any long range financial plans, forecasts or budgets**
- **Summary of funds transferred to each party by affiliates during the last 3 calendar years and current year to date**
- **List of service mix and payor mix for the last 3 years**
- **List and summary of that status of all current contracts/participation agreements with Medicare, Medicaid, Blue Cross and any other third party payor, HMO, PPO or self-insured employer**
- **List of any pending appeals or reimbursement determinations**
- **Copy of the most recent and current strategic plan for the organization and affiliates**

- **Copies of current contract with annual values of \$50,000 or more**
- **List and description of all current contracts of \$50,000 or more in annual value by which services are obtained**
- **List and description of all current contract of \$50,000 or more in annual value under which services are provided by each party**
- **List and description of each business transaction with any member, shareholder, director, trustee, officer or member of management**
- **List and copies of all Conflict of Interest and other policies governing the fiduciary obligations of current officers, members, shareholders, directors and trustees**
- **List and description of all transactions of \$50,000 or more in value between nonprofit and for-profit affiliates during the past 3 years**
- **List of contract entered into by an affiliate that obligates the affiliate or the other party to an exclusive arrangement**
- **List and description of agreements with other institutional providers of health care services of \$50,000 or more in annual value and of any value in the case of providers located in the other party's primary service area**
- **List and description of all physician service contracts, whether deemed employees or independent contractors**
- **List and description of all physician recruitment and retention arrangements**
- **Copies of all current physician recruitment policies**
- **Copies of all policies relating to services provided to or for the benefit of physicians**
- **List of all physicians for whom billing or other services are provided**
- **List and description of all current insurance policies, amounts and schedule of premiums**
- **Copies of current policies with respect to required professional liability coverage for physicians and other medical personnel**
- **List of any insurance policy or contract cancelled or otherwise limited**
- **Copies of documents and claim logs pertaining to claims history under any current liability insurance policy or any policy in effect during the last 3 years**
- **List of all present buildings and other facilities of the party**
- **List and description of all existing leases, contracts or agreements that provide for any portion of the facilities to be occupied or used by another entity**
- **List of and copies of the most current engineering, fire and safety reports concerning all buildings and their contents**
- **Copies of engineering, environmental or other reports or assessments noting or considering a material adverse situation concerning the presence, production or disposal of hazardous or infectious materials or waste at any facility of a party of affiliate and any reports or other documents describing the need for, and cost of, remedial actions (underground tank certification, radon testing, asbestos testing reports, lead testing reports, medical gas testing, state inspection/survey reports, insurance reports, boilers, elevators, equipment)**

- **Copy of the Medical Staff Bylaws, Rules and Regulations**
- **Dull roster of the Medical Staff showing status**
- **List and description of all current affiliation agreements regarding graduate and undergraduate medical education or regarding nursing and allied health professions' education programs**
- **List and copies of the most recent survey and report by any educational program accreditation organization and any correspondence with such organizations**
- **Benefit plans of general applicability to all employees (qualified defined benefit and contribution plans, bonus plans, non-qualified deferred compensation plans, non-qualified retirement plans, plan summaries, financial statements plan evaluations for the past 3 years)**
- **Copies of all current collective bargaining or other labor agreements**
- **Copies of all current employee handbooks or other written policy statements regarding the rights, privileges and obligations of employees**
- **List and description of all employee grievance procedures, formal charge, and litigation pending or concluded, indicating the nature of the grievance or charge and the status thereof**
- **Copies of agreements, commitment and understanding with key employees relating to their services, compensation or benefit of any sort**
- **List of all employees of the party broken out by category**
- **Copies of all employment contract**
- **List of all employee terminations within the last 12 months**
- **Current wage rates by job classification**
- **List of all pending legal actions, claims or charges filed by employees or on behalf of employees**
- **Copies of standard agreements which employees are required to sign**
- **List of indemnification arrangements for all officers and directors**
- **Copies of personnel policies and handbooks**
- **Copies of audit letter responses from law firms for the last fiscal year**
- **List and description of any trial, litigation, arbitration, administrative proceedings or governmental investigations, claim, inquiries, pending or threatened**
- **List and description of judgments against, or settlements or releases entered into during the last 3 years**
- **List of any restricted fund and a description of the restrictions**
- **List and description of any deferred gifts of \$50,000 or more**
- **List and description of trademark, service mark, copyright and patent documents and applications or related filings and list and description of claims or disputes with respect to any intellectual property rights**
- **List and description of any material research and development agreements or arrangements**

- **List and description of material licensing, technology or royalty agreements**
- **Any other documents or information which are significant to the business of the party making the disclosure or which should be considered or reviewed in making disclosure to the other party regarding the business and financial condition of the entity making these disclosures**
- **Capital expenditures for current year and planned for next year**
- **Real property owned or leased**
- **Buildings owned or leased and major moveable equipment owned or leased**
- **Projects in construction**
- **All other operating contracts**
- **Admissions by physician last fiscal year and current Year to date**
- **Pending corrective action/peer review matters**
- **Current marketing plans plus all current marketing brochures and public relations material**
- **Records/files pertaining to all governmental investigations**
- **PHO information**

After the initial review of the above information, the Transacting Parties have conducted ongoing due diligence by supplementing and reviewing the above categories of documents and information monthly. The Transacting Parties have agreed to continue due diligence by supplementing and reviewing information monthly until the Closing Date.

39. Please provide a description of request(s) for proposals issued by the existing hospital relating to pursuing a proposed conversion.

For RWH, see Confidential Exhibit 19(A).

There were no formal request(s) for proposals issued by SJHSRI and RWH relating to pursuing a proposed conversion.

For RWMC and CCHP, not applicable as they are not existing hospitals.

40. Please provide copies of reports analyzing affiliations, mergers, or other similar transactions considered by any of the transacting parties during the past three (3) years, including, but not limited to, reports by appraisers, accountants, investment bankers, actuaries, other experts, and any committee investigating the proposed conversion and any and all recommendations from the committee to the Board of Directors for each of the transacting parties and each of its affiliates.

For RWH/RWMC, see Confidential Exhibit 18(B), Bates Number C011448 – C011477, Confidential Exhibit 78(C) and Confidential Exhibit 126.

For SJHSRI and RWH/RWMC, see Confidential Exhibit 19(B).

For CCHP, none.

Except as noted above, the Transacting Parties have produced all responsive documents.

41. Please provide a copy of proposed contracts or description of proposed contracts or arrangements with management, board members, officers, or directors of the existing hospital for severance, consulting services or covenants not to compete following completion of the proposed conversion.

For SJHSRI, see Confidential Exhibit 20(A) and Confidential Exhibit 91(A), which identifies the specific salary amounts.

For RWH/RWMC, see Confidential Exhibit 20(B) and Confidential Exhibit 91(B), which identifies the specific salary amounts.

For CCHP, none.

Except as noted above, the Transacting Parties have produced all responsive documents.

42. Please provide a copy or description of all agreements or proposed agreements reflecting any current and/or future employment or compensated relationship between the acquiror (or any related entity) and any officer, director, board member, or senior level manager of the acquiree (or any related entity).

For SJHSRI, see Confidential Exhibit 20(A) and Confidential Exhibit 91(A).

For RWH/RWMC, see Confidential Exhibit 20(B) and Confidential Exhibit 91(B).

There are no agreements or proposed agreements reflecting any current and/or future employment or compensated relationship between the acquiror (or any related entity) and any officer, director, board member, or senior level manager of the acquiree (or any related entity) as of the date of filing; however, it is anticipated that Kenneth H. Belcher and John M. Fogarty will serve as President and Chief Executive Officer, and Executive Vice President and Chief Operating Officer, respectively, of CCHP.

For CCHP, there are no responsive documents.

Except as noted above, the Transacting Parties have produced all responsive documents.

43. Please provide a copy or description of all agreements executed or anticipated to be executed by any of the transacting parties in connection with the proposed conversion.

See Confidential Exhibit 21, Confidential Exhibit 70 and Confidential Exhibit 122.

The Transacting Parties have produced all responsive documents.

44. Please provide copies of documents or descriptions of any proposed plan for any entity to be created for charitable assets, including but not limited to, endowments, restricted, unrestricted and specific purpose funds, the proposed articles of incorporation, by-laws, mission statement, program agenda, method of appointment of board members, qualifications of board members, duties of board members, and conflict of interest policies.

There is no proposed plan for any entity to be created for charitable assets and, therefore, no responsive documents.

45. Please provide a description of all departments, clinical, social, or other services or medical services that will be eliminated or significantly reduced at the new hospital.

CCHP Health Partners has set forth to maintain access and quality for each of the services that are provided to the communities it serves. While preserving the variety of services however, many administrative, support and clinical departments will be affected as described below.

Administrative Departments

Many of the administrative departments will be consolidated to the corporate level of CCHP, which will maintain strict controls over the operational and capital budgets of both St. Joseph Health Services of Rhode Island and Roger Williams Hospital. These administrative services will still maintain a presence at each facility through subsequent on-site administrative positions. Those departments which do not warrant a consolidation to the corporate level will be strictly coordinated through their subsequent corporate executive.

Support Departments

Support departments are necessary for the day-to-day operations of the hospital through their complimentary nature with their subsequent clinical departments. Thus these services will remain at each institution, but be directed under central management who reports to the corporate level and maintains on-site supervision at both facilities.

Clinical/Medical Services

CCHP acknowledges that there are many advantages of clinical integration that can be realized through the affiliation of Roger Williams Hospital and St. Joseph Health Services of Rhode Island. Some such advantages include:

- **The establishment and coordination of industry best practices between facilities,**
- **The preservation and maintenance of patient access for individuals seeking care in the Providence County area and beyond,**
- **The ability to more effectively provide new and preserve existing services based on community need,**
- **The ability to more efficiently allocate limited capital and operational resources within the system,**
- **The ability of both hospitals to maintain financial viability to assure that they are capable of providing services in the distant future.**

CCHP plans to integrate clinical services between its two major facilities in both a collaborative and a consolidative manner dependent upon the community need for such services and opportunities to further develop specific service lines through the integration of distinct service line components.

- **Clinical coordination will be employed when both facilities must maintain such services yet the opportunity exists to establish industry best practice protocols and policies in a effort to raise the level of quality care provided at both institutions. Coordination will also involve the utilization of a central management structure for such services.**
- **Clinical consolidation or physical aggregation of services at one facility will be employed when there is a defined rationale to either collocate related services not currently positioned solely at one campus, or to concentrate utilization at one facility in an effort to positively impact quality with a critical mass of cases.**

While both coordination and consolidation are two mechanisms to achieve clinical integration as part of this affiliation, CCHP is not proposing any clinical services be eliminated or significantly reduced as it relates to the collective service portfolio of the new system.

Elimination or Significant Reduction of Services

CCHP does not plan to eliminate or significantly reduce any services, programs or departments as part of this affiliation. While many of the Administrative and Support Departments outlined in Question #35 will be consolidated between the two hospitals and restructured under the CCHP corporate umbrella , the Hospitals must maintain the existing functions provided by those departments in order to maintain viable organizations and thus they cannot be eliminated or significantly reduced.

In addition, no Clinical or Social Services will be eliminated or significantly reduced as part of this affiliation. While like departments between the two Hospitals may have consolidated management functions, share policies and procedures, and may see eventual consolidation to one campus, it is not the intention to eliminate or significantly reduce on a functional basis any clinical or social departments as part of this affiliation.

See Confidential Exhibit 92 which identifies the functional impact and time frame for administrative, C017563–C017566, support, C017567–C017568, and clinical, C017569-C017575, function.

46. Please provide a description of staffing levels of all categories of employees, including full-time, part-time, and contract employees currently working at, or providing services to, the existing hospital and a description of any anticipated or proposed changes in current staffing levels, including, but not limited to, copies of plans relative to staffing during the first three (3) years at the new hospital(s).

For SJHSRI, see Confidential Exhibit 72 and Confidential Exhibit 135 at C021694-C021700.

RWH, see Confidential Exhibit 72 and Confidential Exhibit 135 at C021701-C021706.

For RWMC and CCHP, none as they are not licensed health care facilities and do not provide medical services.

The increase in staffing levels in Confidential Exhibit 72 reflects the net increase in staffing including the reductions in staffing as indicated in the plan of efficiencies at Confidential Exhibit 35, C012512-C012516, and the increase in staffing required for the projected volume increase during the first 3 years at CCHP

Year #1 Starting FTEs		2434.85
Increase due to volume	32	
Decrease due to plan of efficiencies	-24.2	7.8
Year #2 Starting FTEs		2442.65
Increase due to volume	23	
Decrease due to plan of efficiencies	-5	18
Year #3 Starting FTEs		2460.65
Increase due to volume	35	
Decrease due to plan of efficiencies	-10.6	24.4
Year #4 Starting FTEs		2485.05

For all union contracts, see Confidential Exhibit 77, also produced at Confidential Exhibit 93.

47. Please provide current, signed original conflict of interest forms from all incumbent or recently incumbent officers, directors, members of the board, trustees, senior management, chairpersons or department chairpersons and medical directors on a form acceptable to the attorney general; "incumbent or recently incumbent" means those individuals holding the position at the time the application is submitted and any individual who held a similar position within one year prior to the application's acceptance).

For SJHSRI, see Exhibit 23(A) and Exhibit 94(A). Note: Patricia O'Connor, Interim Chief Operating Officer, from June 11, 2007 through November 30, 2008 is currently living outside of the United States in Dubai. SJHSRI has been unable to obtain a form from Ms. O'Connor.

For RWH/RWMC, see Exhibit 23(B) and Exhibit 94(B).

Except as noted above, the Transacting Parties have produced all responsive documents.

48. If the acquiror is a for profit corporation that has acquired a not for profit hospital under the provisions of this chapter, the application shall also include a complete statement of performance during the preceding one year with regard to the terms and conditions of approval of conversion and each projection, plan, or description submitted as part of the application for any conversion completed under an application submitted pursuant to this section and made a part of an approval for the conversion pursuant to § 23-17.14-7 or 23-17.14-8.

Not applicable.

49. Please provide copies of IRS Form 990 for any transacting party required by federal law to file such a form for each of the five (5) years prior to the submission of the application.

For SJHSRI, see Exhibit 24(A). The 2003 990 is at E001534-E001568

For RWH/RWMC, see Exhibit 24(B) and Exhibit 95. RWMC 990s for 2003, 2004, 2005, 2006 and 2007 are at E006532-E006575, E002029-E002050, E002003-E002028, E001970-E002002 and E001938-E001967, respectively. RWH 990s for 2003, 2004, 2005, 2006 and 2007 are at E001614-E001677, E001684-E001745, E001750-E001801, E001803-E001868 and E001870-E001932, respectively.

For SJHSRI, RWH and RWMC, IRS Form 990 for year ending 9/30/08 has not yet been prepared or filed.

CCHP has not filed the file IRS Form 990 as of date and, therefore, has no responsive documents.

Except as noted above, the Transacting Parties have produced all responsive documents.

50. Please provide the signed Closing Memorandum, including, but not limited to, certification, exhibits, and/or schedules required for the closing documents and/or other closing documents.

See Confidential Exhibit 70 and Confidential Exhibit 122.

The Transacting Parties have produced all responsive documents.

51. Please provide all exhibits and schedules (including any updates or supplements) to the Affiliation Agreement and/or Memorandum of Understanding.

See Confidential Exhibit 21 and Confidential Exhibit 70 and Confidential Exhibit 122.

The Transacting Parties have produced all responsive documents.

52. Please provide a description of all departments, clinical, social, administrative or other services and/or medical services that will be added, eliminated, expanded or reduced at each proposed affiliate hospital if the proposed conversion is completed and state the reason(s).

See response to Question 45, Confidential Exhibit 66 and Confidential Exhibit 92, which identifies the functional impact and time frame for administrative, C017563–C017566, support, C017567–C017568, and clinical, C017569-C017575, function.

53. Please provide all documents for plans to develop or change the existing services and/or develop new services and programs relating to facilities improvements, renovation, or construction, include estimated project date, steps/provisions, costs, and source of funding. (Please include the completed attached chart.)

See Confidential Exhibit 67 and Confidential Exhibit 96 which identifies “Roger Williams Medical Center.”

The Transacting Parties have produced all responsive documents.

54. Please provide the name, address, phone number, occupation, and tenure of all officers, members of the Board of Directors, Trustee, Executives, and Senior Level Managers, including, for each position, current persons and persons holding position during the past three (3) years. (Please complete the attached chart.)

For SJHSRI, see Exhibit 3(A) and Exhibit 73.

For RWH/RWMC, see Exhibit 3(B).

For CCHP, it is contemplated that Edwin J. Santos and Rev. Monsignor Paul D. Theroux will serve as Chair and Vice Chair, respectively, of CCHP. Kenneth H. Belcher and John H. Fogarty will serve as President and Chief Executive Officer, and Executive Vice President and Chief Operating Officer, respectively of CCHP. The remaining officers, directors, board members, and senior level managers have not been determined as of the date of filing.

The addresses of Messrs. Santos, Belcher and Fogarty and Rev. Monsignor Theroux are:

Name:	Edwin J. Santos
Home Address:	234 Mourning Dove Drive, Saunderstown, RI 02874
Business Address	One Citizens Plaza, Providence, RI 02903
Occupation:	Executive Vice President and General Auditor, RBS Citizens NA
Position with Entity:	Chairman and Treasurer

Name:	Monsignor Paul Theroux, JCL
Home Address:	Saint Margaret's Rectory, 1098 Pawtucket Avenue, Rumford, RI 02916
Business Address	One Cathedral Square, Providence, RI 02903-3695
Occupation:	Vicar General, Diocesan Office Building
Position with Entity:	Vice Chairman

Name:	Kenneth Belcher
Home Address:	115 Monatiquot Avenue, Braintree, MA 02184
Business Address	825 Chalkstone Avenue, Providence, RI 02908-4735
Occupation:	President and Chief Executive Officer, Roger Williams Medical Center
Position with Entity:	President

Name:	John Fogarty
Home Address:	41 Alfred Drowne Road, Barrington, RI 02806
Business Address	200 High Service Avenue, North Providence, RI 02904
Occupation:	President and Chief Executive Officer, St. Joseph Health Services of RI
Position with Entity:	Secretary

55. Please provide any and all documents (including, but not limited to, letters, memoranda, reports, minutes, and the like) reflecting consideration of potential "partners" other than the transacting parties (including affiliations, mergers, acquisitions, purchases or the like) by the transacting parties for the prior three calendar years, beginning January 1, to the present, including, but not limited to, the following:

- a. Any documents referring or relating to and/or reflecting identification of potential "partners";

See (1) "Affiliation Strategy Study – Next Steps (November 22, 2006)", (2) "Affiliation Strategy – A Study of Options and Opportunities (August 24, 2006)" and (3) "Affiliation Strategy Study (October 26, 2006)" at Confidential Exhibit 19(A) and 19(B).

- b. A description of criteria established by the board of directors of the existing hospital(s) for pursuing a proposed conversion with one (1) or more health care providers;

See "Affiliation Strategy Study – Next Steps (November 22, 2006)", which discusses a factor analysis process which rated each hospital in Rhode Island according to 10 factors using a four star rating system at Confidential Exhibit 19(A). The factors were financial health, market positions, service area, service portfolio, critical mass, clinical quality, culture, infrastructure, mission and intangibles.

- c. Copies of reports analyzing affiliations, mergers, or other similar transactions considered by any of the transacting parties during the past three (3) years, including, but not limited to, reports by appraisers, accountants, investment bankers, actuaries and other experts;

No reports analyzing affiliations, mergers, or other similar transactions considered by any of the transacting parties took place over the last three years.

- d. Any documents reflecting the advantages and/or disadvantages of any and all potential "partners";

See "Affiliation Strategy Study – Next Steps (November 22, 2006), an overview of the factor analysis discusses the advantages and disadvantages of any and all potential partners at Confidential Exhibit 19(A).

- e. Any documents referring or relating to and/or reflecting offers made to the transacting parties and/or their affiliates by potential "partners";

No document exists relating to and/or reflecting offers made to the transacting partners or affiliates by potential partners.

- f. Any documents referring or relating to and/or reflecting discussions with any and all potential "partners";

No other documents exist referring or relating to and/or reflecting discussion with any and all potential partners.

- g. Copies of any and all proposals, bids presentations, correspondence, memoranda, and/or other forms of communication to or from actual or potential strategic partners or acquirors of any interest in the transacting parties and/or its affiliates, including, but not limited to, preliminary, modified or superseded proposals, bids, presentations or communications relating thereto and responses to any said proposals or the like;

No other documents in the form of proposals, bid presentations, correspondence, memoranda, and/or other forms of communication to and/or from actual or potential partners exist.

- h. Any proposals, or other presentation and discussion packet materials, both formal and informal, prepared for and/or provided by the transacting parties and their affiliate hospital or their consultants or advisors with respect to both the proposed conversion;

No other proposals, presentations or other materials exist other than what is submitted within this application.

- i. Copies of any opinions or memoranda addressing the state and federal tax consequences of the proposed conversion prepared for a transacting party or its' affiliates by an attorney, accountant or other expert, including whether the proposed conversion is proper under applicable federal and state tax code provisions; and

For RWH/RWMC, there are no responsive opinions, or memoranda. There is no reason to believe that the proposed affiliation should have any state or federal tax consequences on Roger Williams Hospital. The parent company, CCHP, will apply for tax-exempt status.

For SJHSRI, see Confidential Exhibit 68.

All responsive documents have been provided.

- j. A list of the transaction costs and expenses by appropriate accounting classification incurred to date or to be incurred by the transacting parties and their affiliate entities involved, with respect to the proposed conversion, including: an itemization of all consulting fees incurred by the transacting parties and/or their affiliates in connection with the proposed transaction, including vendor, dates of service, services(s) provided and cost(s) and projected additional amounts, through closing, by category and payee.

For SJHSRI, see Confidential Exhibit 25(A) and Confidential Exhibit 97(A).

For RWH/RWMC, see Confidential Exhibit 25(B) and Confidential Exhibit 97(B).

Except as noted above, the Transacting Parties have produced all responsive documents.

56. Please provide a copy of the transacting parties' affiliated hospital's Credentialing Committee Guidelines, Policies and/or Procedures, including any contemplated changes thereto.

For SJHSRI, see Exhibit 26(A).

For RWH, see Exhibit 26(B).

There are no contemplated changes by SJHSRI, or RWH to their respective Credentialing Committee Guidelines, and Policies and/or Procedures.

RWMC and CCHP do not have Credentialing Committee Guidelines, Policies and/or Procedures because they are not licensed health care facilities and do not provide medical services.

The Transacting Parties have produced all responsive documents.

57. Please provide any and all minutes of any Clinical and Quality Monitoring Committee for the transacting parties and their affiliates for the prior 3 years from the date of the application through the present.

For SJHSRI, see Board of Trustees Meeting Packets for Patient Care Committee Meeting Minutes at Confidential Exhibit 5(A).

For RWH, see Quality Council Meeting Minutes at Confidential Exhibit 27 and Confidential Exhibit 98. There are no meeting minutes for March and June, 2006.

For RWMC and CCHP, none.

Except as noted above, the Transacting Parties have produced all responsive documents.

See index for SJHSRI Patient Care Committee Meeting Minutes and RWH Quality Council Meeting Minutes included in the indices binder.

58. Please provide a complete description of the relationship of each transacting party and its affiliates within Rhode Island and outside Rhode Island.

There are no transacting parties or affiliates outside of Rhode Island.

For SJHSRI, see Exhibit 7(A) for transacting parties inside Rhode Island and Exhibit 76(A).

- **A description of the SJHSRI relationships is as follows.**
 - - **Our Lady of Fatima Ancillary Services, Inc. (100%)**
 - **Northwest RI Imaging Center LLC (30%)**
 - **Our Lady of Fatima Ancillary Services, is a wholly owned subsidiary of SJHSRI. SJHSRI entered into a joint venture with MRI Centers of New England and opened Northwest Rhode Island Imaging in Johnston, RI and has a 30% ownership interest.**
 - **RI Pet Scanning LLC (5%)**
 - **5% Ownership interest in a mobile pet scanning service.**
 - **Rhode Island Hospital/Southern New England Rehab Partnership (SNERP) (50%)**
 - **SJHSRI is a 50/50 partner with Rhode Island Hospital in operating the Southern New England Rehabilitation Center. SNERP offers tertiary-level medical rehabilitation for stroke, head and spinal cord trauma and various other medical conditions.**
 - **SJHSRI Foundation (100%)**
 - **SJHSRI is the sole member of the Foundation. The Foundation is listed in the Official Catholic Directory and from that derives its 501(c)(3) status as an exempt organization. The Foundation's mission is to raise funds for the specific purpose of supporting SJHSRI.**
 - **SJH Energy LLC (100%)**
 - **Is a limited liability corporation used to purchase wholesale electricity for SJHSRI.**

- **SJHSRI Hospital Workers Compensation Trust (100%)**
 - **Prior to December 1, 1999, SJHSRI was self-insured for workers' compensation. SJHSRI maintains a stop-loss insurance policy for workers' compensation claims made prior to December 1, 1999. Accordingly, amounts up to the stop-loss limit are self-insured by SJHSRI and are paid from the Trust.**

- **Self-Insured Retention Trust (100%)**
 - **The Self-Insured Trust is for hospital professional liability insurance \$1M/\$3M in retention.**

For RWH/RWMC, see Exhibit 28 and Exhibit 99 which includes a complete description of the relationship between RWH and RWMC.

For CCHP, see Exhibit 76(B).

59. Please provide any and all contracts, letters of engagement, memoranda and/or other documents referring, reflecting and/or relating to the scope of services to be rendered by each and every consultant or expert engaged, or to be engaged, by the transacting parties in connection with the Proposed Transaction or any other potential strategic partnership or affiliate.

See Confidential Exhibit 29 and Confidential Exhibit 100.

There are no responsive documents (*i.e.*, letters of engagement) for Ernst & Young.

Except as noted above, the Transacting Parties have produced all responsive documents.

60. Please provide any and all documents referring to agreements reflecting the salary, bonus and all other compensation, including but not limited to, those documents filed with the Securities and Exchange Commission, Internal Revenue Service and/or any other governmental entity (but not including the individuals' federal or state income tax-returns), expense account, transportation subsidy, cafeteria plan, deferred compensation, pension plan, and retirement plan of the 25 highest compensated employees of each of the transacting parties and each of their affiliates.

For SJHSRI, see Confidential Exhibit 20(A), Confidential Exhibit 30(A) and Confidential Exhibit 101(A).

For RWH/RWMC, see Confidential Exhibit 30(B) and Confidential Exhibit 101(B).

The Transacting Parties have produced all responsive documents.

61. Please provide any and all severance packages, contracts or any other documents relating to same, given, negotiated or renegotiated with any employee or former employee of the transacting parties and their affiliates for the prior 4 years from the date of the application through the present. Please include in your response any agreements to provide consulting services and/or covenants to not compete following completion of the proposed conversion as well as the existing ERISA benefit plan and severance agreements or arrangements.

For SJHSRI, see Confidential Exhibit 31(A) and Confidential Exhibit 102.

For RWH/RWMC, see Confidential Exhibit 31(B). Despite a diligent search, RWH cannot locate any responsive documents regarding S. Merola.

For CCHP, there are no responsive documents.

Except as noted above, the Transacting Parties have produced all responsive documents.

62. Please provide an itemization of all loans outstanding, given, and/or forgiven in the last five years to any executive, employee or consultant of the transacting parties and/or their affiliates, including the terms of such loan.

For SJHSRI, RWH,RWMC and CCHP, none.

63. Please provide a copy of the resignations of any Directors and Officers of each of the transacting parties and/or their affiliates related to the conversion.

To date there have been no resignations related to the proposed conversion.

64. Please provide a copy of the plan to integrate acquiree and/or their affiliates into the acquiror's and/or their affiliates model of service delivery, including finance, treasury, human resources, information services, communications, marketing, government relations, risk management and insurance, legal, strategic planning, development purchasing, payor contracting, internal audit and compliance.

See Confidential Exhibit 69 and Confidential Exhibit 92 which identifies the functional impact and time frame for administrative, C017563–C017566, support, C017567–C017568, and clinical, C017569-C017575, function.

With respect to union contracts, at present St. Joseph Health Services maintains bargaining agreements with the United Nurses and Allied Health Professionals (“UNAP”) covering RNs working at the Fatima campus. In addition, St. Joseph maintains a bargaining agreement with the Federation for Nurses and Health Professionals (“FNHP”) covering RNs, LPNs and technical workers at the St. Joseph campus. It is intended under the conversion that St. Joseph will maintain its current contract with UNAP with the term to 2011 and renegotiate at that time. Members of FNHP at the St. Joseph campus will maintain under the representation of FNHP. Currently, there are no unionized employees at Roger Williams Hospital and the conversion proposes no changes in this situation.

Current agreements at St. Joseph with both UNAP and FNHP hold that in cases where a clinical service (*i.e.*, department or nursing unit) is transferred from a unionized environment to a non-unionized environment at Roger Williams, those employees become Roger Williams Medical Center or hospital employees without union representation and their years of seniority are honored. Conversely, RNs employed by Roger Williams whose service transfers in its entirety to Our Lady of Fatima and become Fatima employees become members of UNAP with seniority credit as well.

The Transacting Parties have produced all responsive documents.

65. Please provide a description and quantification of the outstanding debts of acquiree and/or their affiliates, both between and among acquiree and/or their affiliates and to any third party entities, including, but not limited to:

For SJHSRI and RWH/RWMC, see Confidential Exhibits 9(A), 9(B), 9(C) and Confidential Exhibit 103(A) and 103(B) which detail the hospitals' respective debt. Post conversion the debt will be satisfied in accordance with the respective terms associated with such debt.

For CCHP, there are no outstanding debts.

- a. The plans for disposition of each such debt if the proposed conversion is approved; and

The existing debt to third parties is expected to be paid in accordance with its respective terms; the affiliation proposal will not impact repayment of existing debt.

- b. A list of any indebtedness acquiree and/or their affiliates could forgive, extinguish, or otherwise write-off for acquiree and/or their affiliates, including:

1. The amount of the original debt;
2. The amount that would be forgiven, extinguished or otherwise written-off; and
3. For any such debts written off within the preceding three (3) years, provide the amount forgiven, extinguished or otherwise written-off, the date of the write off, and the reason for the forgiveness, extinguishing or written-off.

The debt to third parties is expected to be paid in accordance with its respective terms. There has been no forgiveness of intercompany transfers of cash between the organizations in the last three years. Refer to attached schedules located at Exhibits 32(A) and 32(B).

66. Please provide a complete plan for acquiree and/or their affiliates to pay their system capital expenditure allocation for capital expenditures consistent with the approved acquiror' s and/or their affiliates system capital budget or budget including, the amount of the share, calculated share, and source of for the payment of that share.

Any capital expenditures will be derived out of the two hospitals and approved by the respective Board of Trustees. Options for capital funding include: cash from operations/obtaining additional debt while remaining compliant with any applicable debt covenant requirements.

See Confidential Exhibit 78(D) and Confidential Exhibit 78(E) which identify capital needs for SJHSRI and RWH. There are no capital requirements for RWMC or Elmhurst Health Associates. There are no planned capital requirements for Rosebank Corporation or Physician Office Building.

There are no capital requirements for CCHP. As set forth above, the capital needs will be at the hospital level and actual expenditures by hospital will be dependent on results from operations. CCHP will oversee the allocation of capital to the entities as appropriate.

67. Please provide complete information concerning a complete description referring or relating to acquiror's and/or their affiliates development and implementation of an interface between computer information systems of acquiree and/or their affiliates. In your response, please include a complete description of the compatibility of the each of the transacting parties and/or their affiliates computerized information system, including, but not limited to, the ability to exchange information without an additional interface including software.

CCHP recognizes that the integration of the system's information technology efforts is critical for the success of the affiliates to improve financial viability, operational efficiency and clinical excellence, and to this end CCHP will prioritize the convergence of its technologies. Facilitating this effort is that both the Roger Williams Hospital and St. Joseph Health Services of Rhode Island have adopted very similar technology strategies, using the same vendor as the cornerstone of its application initiatives.

1. **Network Infrastructure and Connectivity — Roger Williams Hospital and St. Joseph Health Services of Rhode Island are connected at all facilities to a redundant fiber infrastructure provided by OSHEAN, a coalition of non-profit organizations formed to facilitate and advance internet-based technology solutions. This existing connectivity could be supplemented as needed to meet the requirements of CCHP. Additionally, within each of the two hospitals, the networking equipment and protocols are similar and will provide great compatibility for convergence. For affiliation, both institutions will coordinate the efforts to allow the convergence and provide site-to-site connectivity. The connectivity could be available within 180 days of the affiliation. Network compatibility and subsequent connectivity will support the immediate accessibility of all data throughout the CCHP network.**

With convergence of the two networks, there will be economies associated with the network management and monitoring.

Results and Benefits: With the completion of the IT convergence, clinicians and administrative users will have accessibility to the systems of both hospitals from all locations while we undertake additional integration projects.

2. **Electronic Mail Communications — Both institutions currently use the same solution for their respective e-mail communications and have developed a strong knowledge base in the technology. To support the CCHP Health Partners organization, a "CCHP" e-mail entity will be established within 90 days to support the corporate-level employees. As departments are consolidated, the identity will transfer from the institutions to CCHP.**

- 3. Hospital Information Systems — Both hospitals have adopted application strategies using MEDITECH, the market leader in providing state-of-the-art integrated hospital applications, as the foundation for their clinical, administrative and support functions. As both institutions are on similar platforms, this enables the organizations to begin the process of assimilation of the information technology departments. Additionally, 'best practice' techniques from each institution will be applied throughout CCHP. Economies for support and implementation will be realized as the two organizations advances towards common business practices.**

As clinical programs are coordinated or consolidated, interoperability will be developed to ensure that the automated clinical records from either institution are complete.

As administrative and financial. functions are centralized, the technologies to support these functions will be evaluated for possible integration and/or conversion.

MEDITECH, with over 1,500 hospitals as customers, has extensive experience with multi-facility systems and their interoperability needs. Among their multi-facility clients are Caritas Christi (Boston), Catholic Health East (Pennsylvania), Christus Health (Texas), and Columbia/HCA.

The organizations have attached a detailed analysis of applications and product lines utilized in each organization.

See Application Portfolios – August 2008 at Exhibit 33.

68. Please provide all existing agreement(s) between each of the transacting parties and/or their affiliates and physicians relating to access to electronic patient medical information.

For SJHSRI, see Exhibit 34(A).

For RWH/RWMC, see Exhibit 34(B).

All physicians have or will execute the sample form included in Exhibit 34(A) and Exhibit 34(B).

For CCHP, none.

Except as noted above, the Transacting Parties have produced all responsive documents.

69. Please provide an executive summary and document what efficiencies and/or inefficiencies were realized from any conversion, merger, affiliation, and/or consolidation involving any of the transacting parties and/or their affiliates since 1984, separately for each such transaction. Your discussion and documentation should include, but not be limited to, identification of efficiencies planned, whether efficiencies were realized or unrealized (including date) and resulting cost impact on the transacting parties and/or their affiliates.

For SJHSRI:

1990-1993 – St. Joseph Health Services of Rhode Island Campus Restructuring

In the fall of 1990, St. Joseph Health Services of Rhode Island announced a restructuring plan that focused on the movement of services between its Our Lady of Providence and Our Lady of Fatima Units. The plan was designed to identify key organizational efficiencies that would ensure its long term financial viability while continuing to deliver quality healthcare to the diverse communities that it serves. The plan involved three major components outlined below:

- **Consolidation of all inpatient medical/surgical, intensive care and emergency services at the Fatima unit in North Providence. In addition, the plan called for the construction of a new 15-bed Coronary Intensive Care Unit at the Fatima Unit. The Fatima unit would continue to operate its nationally recognized Ambulatory Surgery Center and its existing outpatient services.**
- **Conversion of the Providence Unit to a specialty hospital for rehabilitation, behavioral health and skilled nursing services.**
- **Conversion of the Providence Unit emergency room to a community primary health center that would offer a range of primary and specialty services designed to service the needs of the South Providence community.**

The Campus Restructuring Plan with approval from the Rhode Island Department of Health, was able to sustain the quality services that St. Joseph Health Services provided in a more efficient manner and was able to stabilize the financial outlook for the hospital reversing 8 years of organizational losses prior to the restructuring. The organization was able to accomplish its objectives, recognize its planned efficiencies and survived amongst growing competition and a volatile reimbursement market in the early 1990's.

1994 – Establishment of the Southern New England Rehabilitation Partnership

In the summer of 1994, St. Joseph Health Services of Rhode Island and Rhode Island Hospital merged their existing inpatient rehabilitation programs at the St. Joseph Campus through the creation of the Southern New England Rehabilitation Partnership. The creation of the new 70 bed center, with approval of the Rhode Island Health Services Council, sought to create a regionally recognized rehabilitation program that was able to provide quality services unparalleled in Rhode Island. In addition, the partnering of St. Joseph Health Services of Rhode Island and Rhode Island Hospital for this program sought to identify operating efficiencies through staffing reductions.

As a result of the Partnership, both the organizations and the community recognized the success of the new Rehabilitation Partnership through its regional recognition, the improvement of quality outcomes and the operational cost savings of the partnership.

For RWH/RWMC:

- 1. Radiation therapy services joint venture known as Roger Williams Radiation Therapy (RWRT) was established in February, 2007. RWRT is a for-profit joint venture with 51% ownership by New England Radiation Therapy (NERT) and 49% ownership by Roger Williams Hospital (RWH). NERT provided the much needed upgrades to the Radiation Therapy medical equipment and any necessary building improvements to accommodate the new linear accelerator.**
- 2. PET Services: In February 2002, Roger Williams entered into a lease and service agreement with Rhode Island PET Services, LLC. Roger Williams Hospital purchased 5 shares of the company. This allowed Roger Williams Hospital access to the equipment to provide positron emission tomography ("PET") services to our patient population without spending significant capital. The mobile equipment is on a rotational schedule amongst the facilities with equity ownership.**
- 3. MRI Services: Rhode Island Magnetic Resonance Imaging Network, Inc. was established in 1987 as a collaborative MRI network. Roger Williams Hospital, Rhode Island Hospital, Miriam Hospital, Newport Hospital, Kent Hospital, Memorial Hospital, Landmark Medical Center, South County Hospital, St. Joseph's Health Services of Rhode Island and Westerly Hospital entered into an agreement with Rhode Island Magnetic Imaging Network, Inc. in order to acquire the use of magnetic imaging facilities and services to provide these services to their patients. At the time, it was cost prohibitive for**

each of the hospitals to purchase MRI equipment. This cooperative effort made it possible to provide then state-of-the-art technology to the citizens of Rhode Island.

4. **Roger Williams Medial Center:** Roger Williams General Hospital Foundation, Inc. was incorporated in 1982, and its corporate purpose was listed as “those charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 as are also the purposes of Roger Williams General Hospital, a Rhode Island non-business corporation, including, without limitation, the ownership or management of corporation established for the purpose of providing space for hospital purposes or for the conduct of medical research. Furthermore, said corporation shall operate exclusively to carry out the purpose of Roger Williams General Hospital, and shall be controlled by Roger Williams General Hospital.” The corporation’s function was to conduct fundraising for the Roger Williams General Hospital.

In 1986, Roger Williams General Hospital filed for a Change in Ownership with the Rhode Island Department of Health, Division of Facilities and Regulation resulting from the proposed corporate reorganization of the Hospital. The restructuring was intended to provide a sole member of all then existing and anticipated future non profit and for profit entities in the system. That sole member would provide the overall coordination of the spectrum of services offered by all the corporations in the system. Rather than establishing a new corporate entity to fill the role a sole member, the then existing Roger Williams General Hospital Foundation, Inc. was used for this purpose. The reorganization resulted in a single non-profit corporation, Roger Williams General Hospital Foundation, Inc., having effective control and coordinating responsibility for Roger Williams General Hospital and Elmhurst Extended Care Facilities, Inc. (at that time an inactive corporation). In August 1986, the Project Review Committee of the Health Services Council approved the application of Roger Williams General Hospital seeking approval of a change in corporate structure. The Rhode Island Department of Health accepted the recommendations and findings of the Health Services Council and approved the proposal for a change in corporate structure resulting in: 1) the termination of the existing license held by Roger Williams General Hospital and the issuance of a new license to the hospital corporation, Roger Williams General Hospital, whose sole corporate member is the Roger Williams General Hospital Foundation, Inc., and 2) when the certificate of need granted to Elmhurst Extended Care Facilities, Inc. is implemented, the license issued to that facility shall reflect the control of Elmhurst by the parent corporation, Roger Williams General Hospital Foundation, Inc.

In 1990, the Articles of Incorporation of Roger Williams Hospital Foundation, Inc. were amended and the name of the corporation was changed to Roger Williams Medical Center.

Throughout the 1990's the structure of RWMC and its affiliates remained as outlined above. During that time, RWMC and RWH had mirror Boards of Trustees, and although strategic planning was done based upon the full continuum of services offered by the corporate entities that made up the RWMC system, the structure proved duplicative and cumbersome. It did not result in any significant savings or efficiencies, and as a result, in 2001 the Roger Williams Board Restructuring Committee ("the Committee") was formed.

The goals of the Committee were to develop roles and responsibilities for Board members, to determine if the Board structure and corporate structure were appropriate for the current environment, to determine if the committee structure should be simplified, to recommend education for board members in a changing healthcare environment, and to determine how the medical community should be represented on the Board of Trustees. In October 2001, the Committee presented its conclusions and recommendations to the Boards of RWH and RWMC. A resolution was passed by both Boards and several conclusions/recommendations were adopted, including, elimination of mirror Boards at RWH and RWMC and consolidation into one RWH Board of Trustees, amend the by-laws of RWMC to vastly scale down the RWMC corporate entity while ensuring that RWMC remain "alive" if needed in the future. These changes were viewed as merely reflective of the actual functioning of the RWMC Board of Trustees and the RWH Board of Trustees.

By-law changes effectuating the resolutions were not made until the December 6, 2001 meeting of both the Board of Trustees of RWH and RWMC. At that meeting, by-law changes were approved. The vote to downsize the RWMC Board of Trustees occurred after the vote on by-law changes. Three individuals were appointed to the RWMC Board of Trustees. Inadvertently, changes to the RWMC by-laws eliminating reference to RWMC as the sole member of RWH were not removed. However, from December 6, 2001 forward, RWMC has not been treated, nor acted as a Member of RWH, and the RWH Board has been a self-appointing Board whose Trustees are not appointed by the RWMC Board or the Hospital, and the RWMC has had no approval authority, or any other authority over the RWH Board. In December 2006 this error was corrected and the RWH By-Laws were amended to accurately reflect the changes that were made in December 2001, and the amendment eliminated the requirement to have a sole member, or any members, of RWH.

Currently, RWH is an affiliated entity of RWMC. RWMC is not a controlling entity, nor sole member of RWH, i.e. no control to appoint

trustees, officers, directors or employees, no control over approval of capital or operating budget, no control over services. RWH has no members as permitted by Section 15 of Chapter 6 of Title 7 of the Rhode Island General Laws. RWMC does not, nor has it ever, provided any medical services.

70. Please provide any documents that indicate the efficiencies that are planned and/or projected from the proposed conversion of each of the transacting parties and/or their affiliates for a period starting with the Effective Date, running 10 years forward.

See Confidential Exhibit 35.

Legible copies are included in the disk of Confidential Exhibits delivered on March 12, 2009.

The Transacting Parties have produced all responsive documents.

71. Please identify whether the acquirer plans to hold, own, or acquire an ownership or controlling interest greater than twenty percent (20%) in another hospital within one (1) year subsequent to the finalization and implementation.

No.

72. Please provide a copy of the Hart-Scott-Rodino filing with the Federal Trade Commission and the United States Department of Justice related to the proposed conversion and the final determination by Federal Trade Commission or the United States Department of Justice concerning this filing.

See Exhibit 36, the FTC's August 5, 2008 final determination stating that the transaction is not reportable. The redactions on the July 24, 2008 letter posted on the FTC website were made by the FTC. See Exhibit 104 for a copy of the July 24, 2008 unredacted letter.

The Transacting Parties have produced all responsive documents.

73. Please provide copies of all government permits, licenses, or other approvals necessary to implement the proposed conversion.

See Exhibits 1(A), 1(B), 2(A), 2(B), 36 and 37. In addition, the transacting parties have submitted this application for approval by the Attorney General and Department of Health and a Change in Effective Control Application will be filed with the Department of Health.

See Exhibit 105 for current copies of the requested DOH certificates.

See Exhibit 37 and Exhibit 106 which confirm that the proposed conversion does not require any specific approval from the Holy See since there is no alienation of property involved and the Catholic identity and ethical standards of the SJHSRI facilities remain intact. See also Confidential Exhibit 107, letter from Attorney Lawrence G. Singer and Father Jordan F. Hite confirming same.

The Transacting Parties have produced all responsive documents.

74. Please provide a complete description concerning full disclosure of any lawsuits, investigations by foreign, federal, state or municipal boards or governments, administrative agencies, or arbitrators pending against each transacting party and its affiliates including, the amount of the potential claim, the amount of the cost to date, and any insurance coverage, including policy terms and amounts.

For SJHSRI, see Confidential Exhibit 38(A).

For RWH/RWMC, see Confidential Exhibit 38(B) and Confidential Exhibit 132.

For CCHP, none.

75. Please provide a list of insurance contracts in full force and effect for each transacting party and its affiliates, including professional, directors and officers and comprehensive general liability, including coverage limits, purpose of insurance, and duty of coverage, both currently and post conversion.

For SJHSRI, see Confidential Exhibit 39(A).

For RWH/RWMC, see Confidential Exhibit 39(B).

For SJHSRI and RWH/RWMC, see Confidential Exhibit 39(C) and Confidential Exhibit 108.

For CCHP, none.

76. Please provide detailed information concerning any and all coverage provided by self-insured funds and/or captive insurance companies to provide coverage for risks, including but not limited to the amount of the self-insurance fund, claims paid, or claims pending.

For SJHSRI, see Confidential Exhibit 40(A).

For RWH/RWMC, see Confidential Exhibit 40(B) and Confidential Exhibit 109.

For CCHP, none.

77. Please provide a description by each transacting party and its affiliates with respect to Medicare and Medicaid programs, including but not limited to notice of de-certification, revocation, suspension or termination, or of threatened or potential re-certification, revocation, suspension or termination.

SJHSRI and RWH are participants in the Medicare and Medicaid programs. Neither SJHSRI, RWH nor their affiliates have ever received a notice of de-certification, revocation, suspension or termination, or of threatened or potential re-certification, revocation, suspension or termination.

RWMC and CCHP are not participants in the Medicare and Medicaid programs.

78. Please provide copies of Medicare cost reports for the last 5 years through the present for each transacting party and its affiliates.

For SJHSRI, see Exhibit 41(A) and Exhibit 110(A).

For RWH, see Exhibit 41(B) and Exhibit 110(B).

RWMC is not a Medicare provider and, therefore, does not file Medicare cost reports.

CCHP is not a Medicare provider and, therefore, does not file cost reports.

Except as noted above, the Transacting Parties have produced all responsive documents.

79. For each transacting party and its affiliates that are not-for-profit entities, please provide the mission, charter, and organizational goals.

For SJHSRI, see Exhibit 42(A) and Confidential Exhibit 42(A) which includes SJHSRI's organizational goals, C012680.

For RWH/RWMC, see Exhibit 42(B) and Confidential Exhibit 42(B) which includes RWH's goals, C012682-C012685 and Elmhurst Extended Care's organizational goals, C012686-C012687.

See Exhibit 6(A), E000119-E000129 for SJHSRI charter.

See Exhibit 42(B), E005378-E005463 for RWH charter.

There is no charter for RWMC.

See Exhibit 42(B), E005397 which includes RWH's mission and vision statements even though labeled Roger Williams Medical Center.

There is no charter for Elmhurst Extended Care.

See Inaugural Strategic Plan, Confidential Exhibit 44, Confidential Exhibit 81, and Confidential Exhibit 78(C) for mission and organizational goals for CCHP. There is no charter for CCHP.

80. Please provide documents referring or relating to recent and projected growth in the number of credentialed medical providers for each of the transacting parties and their affiliates.

No anticipated changes are expected.

See Exhibits 43(A) and 43(B) for existing credentialed medical providers.

The Transacting Parties have produced all responsive documents.

81. Please provide any and all documents referring and/or relating to the potential and/or actual strategic opportunities to expand services to a wider geographic area, including resources required and capital needs, and economic and demographic factors relating thereto.

CCHP plans to preserve the hospitals' existing services and look to modify services to continuously fulfill the changing community health needs for both its primary and secondary service areas. While both Hospitals collectively provide inpatient services to roughly 24% of those residents of Providence County in need of admission, the affiliation will allow the two organizations the opportunity to do so in a much more cost effective and efficient manner. To this end, CCHP will look to reallocate the cost savings to improve both its inpatient and outpatient services in an effort to become the premier health care provider in Rhode Island.

Please see Confidential Exhibit 44, the draft Inaugural Strategic Plan and Confidential Exhibit 81, the January 31, 2009 Inaugural Strategic Plan which outline the strategic intent of CCHP for the first years of its existence.

The annual 2% growth rate in volume for CCHP is based on a report from the Advisory Board Innovations Center (the "Advisory Board") entitled "Demand for Hospital Services." See Confidential Exhibit 78(C), bates stamped C016077–C016096. The Advisory Board is a prominent national consulting firm from Washington, DC, that provides best practice research and consulting services to leading hospitals and health systems throughout the country.

While aging of the baby boomer population will have a significant impact on the utilization of health care services in the future, other factors such as new technology/procedures, epidemiology, and lifestyle factors will influence hospital demand. Most recently, milder than expected flu seasons, reduction in cardiac services and changes in rules involving short stay admissions and observation status may result in modest increases in the short-term.

It should be noted that the projected increase in volume was solely derived from demographic based methodology reflecting the aging population SJHSRI and RWH serves. None of the volume projected is expected to be gained from competing hospital market share.

The Transacting Parties have produced all responsive documents.

82. Please provide all studies, reports, and memoranda analyzing and/or addressing the extent and timing of anticipated inpatient hospital utilization rate changes, both for the transacting parties and for any other entities.

See Inaugural Strategic Plan, Confidential Exhibit 81, and Confidential Exhibit 78(C), bates stamped C016077–C016096.

The Transacting Parties have produced all responsive documents.

83. Please provide all studies, reports, and memoranda analyzing and/or addressing the ability of the transacting parties and/or their affiliates to support medical and education research in the event the proposed conversion occurs.

See Inaugural Strategic Plan, Confidential Exhibit 81, and Confidential Exhibit 78(C), bates stamped C016077–C016096.

The Transacting Parties have produced all responsive documents.

84. Please provide all studies, reports, analyses, and plans regarding integration or coordination of clinical programs and related administrative functions post conversion.

See Inaugural Strategic Plan, Confidential Exhibit 81 and Confidential Exhibit 78(C), bates stamped C016077-C016096. See also Confidential Exhibit 92.

The Transacting Parties have produced all responsive documents.

85. Please provide all studies, reports, and memoranda analyzing and/or addressing the extent to which the clinical and administrative services provided by the transacting parties and their affiliate entities do and/or do not overlap and/or are complementary of one another.

See Inaugural Strategic Plan, Confidential Exhibit 81 and Confidential Exhibit 78(C), bates stamped C016077-C016096. See also Confidential Exhibit 92.

The Transacting Parties have produced all responsive documents.

86. Please provide the Corporate Compliance Program for each of the transacting parties and their affiliates.

For SJHSRI, see Exhibit 45(A) and Exhibit 111.

For RWH/RWMC, see Exhibit 45(B) which applies to RWH. Although labeled Roger Williams Medical Center, the policies apply only to RWH and Elmhurst Extended Care.

There are no policies for RWMC/CCHP as they are not licensed health care providers and do not provide medical services.

Except as noted above, the Transacting Parties have produced all responsive documents.

87. Please provide agreements of the transacting parties and/or their affiliate medical providers with third-party payors.

For SJHSRI, see Confidential Exhibit 46(A), Confidential Exhibit 112(A) and Confidential Exhibit 135 at C021707-C021713.

For RWH/RWMC, see Confidential Exhibit 46(B), Confidential Exhibit 112(B) and Confidential Exhibit 135 at C021714-C021748. See table at Confidential Exhibit 135, C021749, describing the documents produced.

For CCHP, not applicable.

Except as noted above, the Transacting Parties have produced all responsive documents.

88. Please provide By-Laws and Organization Chart for any Physician Services Organization or other medical provider organizations for each of the transacting parties and their affiliates.

For SJHSRI, there is no Physician Services Organization or other medical provider organization and, therefore, no responsive documents.

For RWH, see Exhibit 47.

There is no organizational chart for the RWH PHO.

There is no Physician Services Organization for RWH.

For RWMC and CCHP, there are no responsive documents, as they are not licensed health care providers and do not provide medical services.

Except as noted above, the Transacting Parties have produced all responsive documents.

89. Please provide a copy of the most recent JCAHO survey of each transacting party's affiliated hospital.

For SJHSRI, see Exhibit 48(A) and Exhibit 113.

For RWH, see Exhibit 48(B) and Exhibit 127. As set forth at E007165, RWH has produced all responsive documents. It has not received further communications since the November 17, 2008 letter from Ann Scott Blovin to Kenneth Belcher, E007166. See Exhibit 134 at E007241-E007255 for 2005 JCAHO survey.

RWMC and CCHP are not licensed health care facilities and do not provide medical services and, therefore, there are no responsive documents.

Except as noted above, the Transacting Parties have produced all responsive documents.

90. Please provide any and all documents referring or relating to cross-privileges of physicians affiliated with either of the transacting parties and their affiliates before and after the proposed conversion.

See Exhibit 49 regarding physician cross-privileges at RWH and SJHSRI.

Currently both Hospitals maintain independent Medical Staff Services departments that are responsible for credentialing and privileging physicians. With the creation of CCHP, the policies and procedures will be integrated for the credentialing and privileging of physicians as is permitted by the independent Medical Staff Bylaws. It is not the intention of the two hospitals to merge the Medical Staffs.

See Exhibit 114 which includes SJHSRI Active Staff by specialty and indicates hospital cross-privileges status.

See Exhibit 134 which includes identification of SJHSRI and RWH staff by specialty and indicates hospital cross-privileges status at E007256-E007284, and RWH medical staff by name and specialty at E007285-E007294.

RWMC and CCHP have no responsive documents because they are not licensed health care facilities and do not provide medical services.

Except as noted above, the Transacting Parties have produced all responsive documents.

91. Please provide any and all documents referring or relating to performance measurement and outcomes, that the transacting parties and/or its affiliates have used in the last three (3) years.

For SJHSRI, see Exhibit 50(A) and Exhibit 115 which include all responsive documents for the requested period.

For RWH, see Exhibit 50(B) and Exhibit 131 which include all responsive documents for the requested period.

For RWMC and CCHP, they are not licensed health care facilities and do not provide medical services. Therefore, there are no responsive documents.

Please see index of documents referring or relating to performance measurement and outcomes that the transacting parties and/or its affiliates have used in the last three years including SJHSRI documents for 2006 and complete data for RWH for the requested period.

Except as noted above, the Transacting Parties have produced all responsive documents.

92. Please provide copies of the patient satisfaction surveys the transacting parties and/or its affiliates disburse to patients to provide information.

For SJHSRI, see Exhibit 51(A).

For RWH, see Exhibit 51(B).

For RWMC and CCHP none as they are not licensed healthcare facilities and do not provide medical services.

Except as noted above, the Transacting Parties have produced all responsive documents.

93. Please provide all summary reports concerning patient satisfaction surveys for the transacting parties and/or its affiliates for the last three (3) years.

For SJHSRI, see Exhibit 52(A) and Exhibit 116.

For RWH/RWMC, see Exhibit 52(B).

Legible copies are included in the disk of Confidential Exhibits delivered on March 12, 2009.

Except as noted above, the Transacting Parties have produced all responsive documents.

94. Please provide any and all documents referring or relating to the quality outcome measurements identified by the transacting parties and/or their affiliates for last three (3) fiscal years, including any adjustment factors.

For SJHSRI, see Exhibit 50(A) and Exhibit 115 which include all responsive documents for the requested period.

For RWH, see Exhibit 50(B) and Exhibit 131 which include all responsive documents for the requested period.

For RWMC and CCHP, they are not licensed health care facilities and do not provide medical services. Therefore, there are no responsive documents.

Please see index for documents referring or relating to performance measurement and outcomes that the transacting parties and/or its affiliates have used in the last three years including SJHSRI documents for 2006 and complete data for RWH for the requested period.

Except as noted above, the Transacting Parties have produced all responsive documents.

95. Please provide any and all documents referring or relating to comparing hospital efficiency with costs for the transacting parties and/or its affiliates for the past five (5) years.

See Exhibit 53, including “Hospital Costs in Rhode Island (2004)” report issued in December, 2006, dataset sheets for RWH/RWMC and SJHSRI for the last 5 years, and “The Health of Rhode Island’s Hospitals (2007)” report issued in December, 2008.

For SJHSRI, see Confidential Exhibit 117(A).

For RWH, see Confidential Exhibit 117(B).

For RWMC and CCHP, they are not licensed health care providers and provide no medical services. Therefore, there are no responsive documents.

Except as noted above, the Transacting Parties have produced all responsive documents.

96. Please provide any and all contracts between any medical school and the transacting parties and/or their affiliates for reimbursement for costs, including, but not limited to, a complete description of the current and future terms and relationship with any medical schools.

For SJHSRI, see Confidential Exhibit 54(A) and Confidential Exhibit 118(A).

For RWH/RWMC, see Confidential Exhibit 54(B) and Confidential Exhibit 118(B).

For CCHP, none.

Except as noted above, the Transacting Parties have produced all responsive documents.

97. Please provide any and all documents, agreements, contracts or the like, formal or informal, reflecting any current and/or potential employment or compensated relationship for senior management among or between the transacting parties and/or their affiliates.

See Exhibit 30(A) and Exhibit 30(B) for existing agreements reflecting current employment or compensated relationship for senior management and Confidential Exhibit 91(A) and Confidential Exhibit 91(B).

There are no documents reflecting potential employment of compensated relationship for senior management post-conversion.

Except as noted above, the Transacting Parties have produced all responsive documents.

98. Please provide any reports, projections, presentations or other documents that demonstrate and/or support the assertions of the transacting parties and/or their affiliates of the need for the proposed conversion to occur, including any similar document which projects the anticipated impact upon the transacting parties and their affiliates if the proposed conversion does not occur.

For SJHSRI, see Confidential Exhibit 11(A) and Confidential Exhibit 19(A).

For RWH/RWMC, see Confidential Exhibit 11(B) and Confidential Exhibit 19(B).

For SJHSRI and RWH/RWMC, see Confidential Exhibit 9(C), Confidential Exhibit 29 and Confidential Exhibit 55.

Other than the pro forma in the Deloitte supplement, Confidential Exhibit 78(C), Confidential Exhibit 78(F) and Confidential Exhibit 9(C), there is no additional documentation projecting the anticipated impact if the proposed conversion does not occur.

The Transacting Parties have produced all responsive documents.

99. Please describe the direct and indirect medical education revenue received for the last 5 years through the present.

For SJHSRI, not applicable.

For RWH/RWMC, see Exhibit 56.

For RWMC and CCHP, they are not licensed health care providers do not provide medical services and, therefore, there are no responsive documents

100. Please provide the number of interns and residents, including the sub-specialty, at the affiliate hospitals for the most recent five (5) years.

For SJHSRI, see Exhibit 57(A) and Exhibit 119.

For RWH, see Exhibit 57(B).

For CCHP, not applicable.

101. Please provide a complete description of the impact of the proposed conversion upon primary care at the transacting parties, and their affiliates, and the community.

The proposed affiliation will have no adverse impact upon primary care at the transacting parties, their affiliates and the community. Each hospital will be licensed independently and will initially maintain a separate medical staff. Given the close proximity of RWH and SJHSRI, some physicians will have privileges at both institutions, of which primary care will continue as one of many subspecialties needed to support hospital services. There are no changes to primary care anticipated at either Roger Williams Hospital or St. Joseph Health Services of Rhode Island.

In discussing the impact that the proposed conversion will have on primary care, it is first necessary to review the services typically provided under the umbrella of Primary Care. Primary care can be defined as the provision of comprehensive health services that includes health education, disease prevention, the initial assessment of health problems, treatment of acute and chronic health problems and the overall management of an individual's health care services. It is usually the patient's first point of entry into the healthcare system and is the continuing focal point for all needed healthcare services thereafter. A comprehensive list of primary care services is as follows:

- **Health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology provided by physicians, physician assistants, nurse practitioners, nurse midwives, and health aides.**
- **Diagnostic laboratory and radiological services**
- **Preventive services**
- **Prenatal services**
- **Screening for breast, cervical, prostate and other types of cancer**
- **Well-child immunizations and adult immunizations**
- **Screenings for communicable diseases, environmental contaminants, and chronic health conditions**
- **Pediatric primary care and pediatric dental services**
- **Adult walk-in treatment services**
- **Pharmaceutical services**
- **Screenings for and referrals to specialty providers of health related services**
- **Substance abuse mental health services**
- **Patient case management services including counseling, referral, and follow-up services**
- **Patient education regarding health conditions and the availability and use of health services**
- **Geriatric and Dementia Care**
- **Nursing Home Care**

SJHSRI and RWH currently provide the majority of the primary care services listed above with the exception of inpatient pediatric and inpatient obstetrical based services. Additionally, the proposed conversion will in no way have a negative impact on the delivery of primary care services for the Transacting Parties, its affiliates, or the community in general. In fact, quite the opposite is true. The proposed affiliation will strengthen and enhance the hospitals involved, thereby ensuring that access to primary care services continues well into the future. Specifically, the hospital community outreach efforts detailed in Question #31 will continue at their current level and expand based on the changing needs of the serviced population. While there is no specific plan by the Transacting Parties to provide new primary care services, it is anticipated that by improved financial viability the primary care clinics and services will be maintained and expanded based on community demand.

Furthermore, there will be no reduction or elimination of clinical services as a result of the affiliation therefore access to primary care will not be affected in any way at RWH or SJHSRI or within the community at large. Any alterations in clinical services would be done with a view towards responsible consolidation or relocation that would not diminish the quality or accessibility of any clinical services.

102. Please provide all information referring or relating to the acquiror ensuring that any home care, home nursing care or hospice care providers are included as recognized providers of home care, home nursing care or, hospice care services after the conversion.

Home Care:

Home Care Services is a business line under RWH and will be a recognized service line under the new hospitals formed under CCHP.

Roger Williams Home Care (“RWHC”) serves men and women over 18 years old, but its practice consists primarily of the geriatric population. RWHC provides skilled nursing care, physical therapy, occupational therapy, speech therapy, social work and Certified Nursing Assistant services to patients at home. RWHC provides a full compliment of home nursing services, but its major nursing diagnoses include aftercare for surgery neoplasm, aftercare for surgery for the circulatory system, congestive heart failure, exacerbation of chronic obstructive pulmonary disease. RWHC’s services area is the State of Rhode Island and Massachusetts border towns. RWHC has been JCAHO certified since 1993. RWHC had 56,172 patient visits in fiscal year 2008.

There are no anticipated changes to RWHC services post conversion. In addition, please reference response to Question 52, at bates nos. C017563–C017575, which provides the detail for services to be provided.

Home Nursing Care:

Elmhurst Extended Care Facilities, Inc. (“EEC”), a nursing home provider whose sole member is RWMC, operates a 192 bed skilled nursing facility including long term care, short term care and care for Alzheimer and Dementia care. Long term care services and short-term sub-acute care services include skilled nursing care, physical, occupational and speech therapies, respiratory care, IV therapies, wound care, pain management, and individualized meal plans. Alzheimers and dementia care include 24-hour skilled nursing services and special programs including aroma and touch therapy, gardening, art, music, and family support.

There are no anticipated changes in the services provided at EEC post conversion. EEC will be filing a Change in Effective Control Application with the Rhode Island Department of Health to change its sole member from RWMC to CCHP. It is anticipated that the Change in Effective Control Application will be filed within three (3) months of this filing. In addition, please reference response to Question 33, at bates nos. C017470–C017566.

Hospice Care:

Hospice care is not a service that is currently provided by any Transacting Party. RWH and SJHSRI contract with outside organizations to provide inpatient hospice services as needed. There are no plans to add hospice care services to the new hospitals under the proposed CCHP affiliation.

As indicated earlier, post-conversion services in general will remain consistent with current practice in the areas of home care, home nursing care or hospice care services after the conversion. At present, both SJHSRI and RWH offer each patient free choice of their post-care provider by providing a written list of various home care, home nursing care or hospice care providers prior to discharge. The transacting parties do not envision a change in this practice post conversion. Presently, SJHSRI does not operate its own home care, hospice or home nursing care service within its system. RWH offers a hospital-based home care program. SJHSRI's current relationship with the Visiting Nurse Service of Greater Rhode Island is anticipated to continue in the sense that this service will continually be offered as an option of choice for patients. In the event that as part of the future strategic plan for the system the RWH home care service becomes the "default" home care provider for discharge patients who have neither a previous provider relationship or a preference for home care services, patient choice of all current providers will still be offered.

103. Please provide census for home care services furnished to patients post discharge and the entity that provided the home care services for each of the transacting parties and/or their affiliates pre-conversion for the last five (5) years.

For SJHSRI, see Exhibit 58(A).

For RWH, see Exhibit 58(B) for schedule detailing discharge disposition for FY 2006, FY 2007 and trend for FY 2008.

The hospitals will continue to coordinate the patient discharge process as it currently exists, and patients will be displaced accordingly based on post discharge needs.

For RWMC and CCHP, not applicable as they are not a licensed healthcare facility and do not provide medical services.

104. Please provide any and all documents referring or relating to home care, home nursing care, or hospice providers which are transacting parties and/or their affiliates and their proposed conversion, including strategic planning, financial projection, and patient census.

Home Care:

Home Care Services is a business line under RWH and will be a recognized service line under the new hospitals formed under CCHP.

Roger Williams Home Care (“RWHC”) serves men and women over 18 years old, but its practice consists primarily of the geriatric population. RWHC provides skilled nursing care, physical therapy, occupational therapy, speech therapy, social work, and Certified Nursing Assistant services to patients at home. RWHC provides a full compliment of home nursing services, but its major nursing diagnoses include: aftercare for surgery neoplasm, aftercare for surgery for the circulatory system, congestive heart failure, exacerbation of chronic obstructive pulmonary disease. RWHC’s services area is the State of Rhode Island and Massachusetts border towns. RWHC has been JCAHO certified since 1993. RWHC had 3,801 patient visits in 2008.

There are no anticipated changes to RWHC services post conversion. In addition, please reference response to Question 52, at bates nos. C017563–C017575, which provides the detail for services to be provided.

There are no other financial projections for home care related to the conversion. There are no strategic plans or patient census information for home care related to the conversion.

Home Nursing Care:

Elmhurst Extended Care Facilities, Inc. (“EEC”), a nursing home provider whose sole member is RWMC, operates a 192 bed skilled nursing facility including long term care, short term care and care for Alzheimer and Dementia care. Long term care services and short-term sub-acute care services include: skilled nursing care, physical, occupational and speech therapies, respiratory care, IV therapies, wound care, pain management, and individualized meal plans. Alzheimers and dementia care include 24-hour skilled nursing services and special programs including aroma and touch therapy, gardening, art, music, and family support.

There are no anticipated changes in the services provided at EEC post conversion. EEC will be filing a Change in Effective Control Application with the Rhode Island Department of Health to change its sole member from RWMC to CCHP. It is anticipated that the Change in Effective Control Application will be filed within three (3) months of this filing. In addition, please reference response to Question 33, at bates nos. C017470–C017566.

There are no other financial projections for home nursing care related to the conversion. There are no strategic plans or patient census information for home nursing care related to the conversion.

Hospice Care:

Hospice care is not a service that is currently provided by any Transacting Party. RWH and SJHSRI contract with outside organizations to provide inpatient hospice services as needed. There are no plans to add hospice care services to the new hospitals under the CCHP affiliation.

There are no financial, strategic plans, or patient census information for hospice care related to the conversion.

The Transacting Parties have produced all responsive documents.

105. Please provide any and all documents related to the development of the sale or that describe the use and any related strategic utilization plans of real estate of each of the transacting parties and/or their affiliates including, but not limited, to real estate appraisal, business plan, strategic planning, and endowment planning (including a quantification of any current endowment of each such transacting party or their affiliate.)

The Memorandum of Understanding of June 10, 2008 between SJHSRI and RWH with regard to Rehabilitation involves the leasing to house the inpatient rehabilitation services contemplated to be relocated from the St. Joseph Hospital for Specialty Care to the RWH campus as part of the Certificate of Need approved by the Director of Health in September 2008. This relationship was purely a “landlord-tenant” relationship. There are no documents relating to the development of the sale or that describe the use in any related strategic plans of real estate of each of the transacting parties.

On March 17, 2009 SJHSRI filed a Certificate of Need Change Order with the Department of Health contemplating locating the inpatient rehabilitation unit at the Our Lady of Fatima campus as opposed to the RWH campus as was originally approved. As is indicated in this change order, the rationale for locating the unit at Fatima is due to acceptable space that can now be renovated at the Fatima campus at a competitive capital cost. It has been deemed by SJHSRI (with agreement by RWH) that this is the most optimal site for the service given the fact that it is under the SJHSRI license and as such should be appropriately located within one of its own facilities.

There is no endowed real estate for any of the Transacting Parties.

106. Please provide a *Cy Pres* Petition for the proposed conversion(s) of affiliate hospitals, other affiliate 501(c)(3) entities, and all that will be affected by the proposed conversion.

See Confidential Exhibit 128.

The Transacting Parties have produced all responsive documents.

107. Please provide names and addresses of the intended board members for the Transacting Parties and their affiliates; post conversion.

It is contemplated that Edwin J. Santos and Rev. Monsignor Paul D. Theroux will serve as Chair and Vice Chair, respectively, of CCHP. Kenneth H. Belcher and John H. Fogarty will serve as President and Chief Executive Officer, and Executive Vice President and Chief Operating Officer, respectively of CCHP. The remaining officers, directors, board members, and senior level managers have not been determined as of the date of filing.

The addresses of Messrs. Santos, Belcher and Fogarty and Rev. Monsignor Theroux are:

Name:	Edwin J. Santos
Home Address:	234 Mourning Dove Drive, Saunderstown, RI 02874
Business Address	One Citizens Plaza, Providence, RI 02903
Occupation:	Executive Vice President and General Auditor, RBS Citizens NA
Position with Entity:	Chairman and Treasurer

Name:	Monsignor Paul Theroux, JCL
Home Address:	Saint Margaret's Rectory, 1098 Pawtucket Avenue, Rumford, RI 02916
Business Address	One Cathedral Square, Providence, RI 02903-3695
Occupation:	Vicar General, Diocesan Office Building
Position with Entity:	Vice Chairman

Name:	Kenneth Belcher
Home Address:	115 Monatiquot Avenue, Braintree, MA 02184
Business Address	825 Chalkstone Avenue, Providence, RI 02908-4735
Occupation:	President and Chief Executive Officer, Roger Williams Medical Center
Position with Entity:	President

Name:	John Fogarty
Home Address:	41 Alfred Drowne Road, Barrington, RI 02806
Business Address	200 High Service Avenue, North Providence, RI 02904
Occupation:	President and Chief Executive Officer, St. Joseph Health Services of RI
Position with Entity:	Secretary

There has been no determination to date regarding the individuals who shall serve on the RWH Board of Trustees and the SJHSRI Board of Trustees post conversion. RWH and SJHSRI have begun the process of determining the best compliment of Trustees for each hospital Board post conversion including skill sets, representation and diversity. Both RWH and SJHSRI will provide current Trustees the opportunity to end their service on the hospital boards if any Trustees desire to do so.

To date, four individuals have been confirmed to serve on the CCHP Board of Trustees: Edwin Santos, Mon. Paul Theroux, Kenneth Belcher and John Fogarty. Thirteen more individuals will be chosen to serve on the CCHP Board of Trustees. Both RWH and SJHSRI will determine whether any Trustees currently serving on the individual Boards have any interest in serving on the CharterCARE Board of Trustees post conversion. If any of those interested individuals fit the skill set needed for the CCHP Board of Trustees, they will be considered; however, there is no requirement that the CCHP Board of Trustees be made up of Trustees currently serving on either the RWH or SJHSRI Board of Trustees.

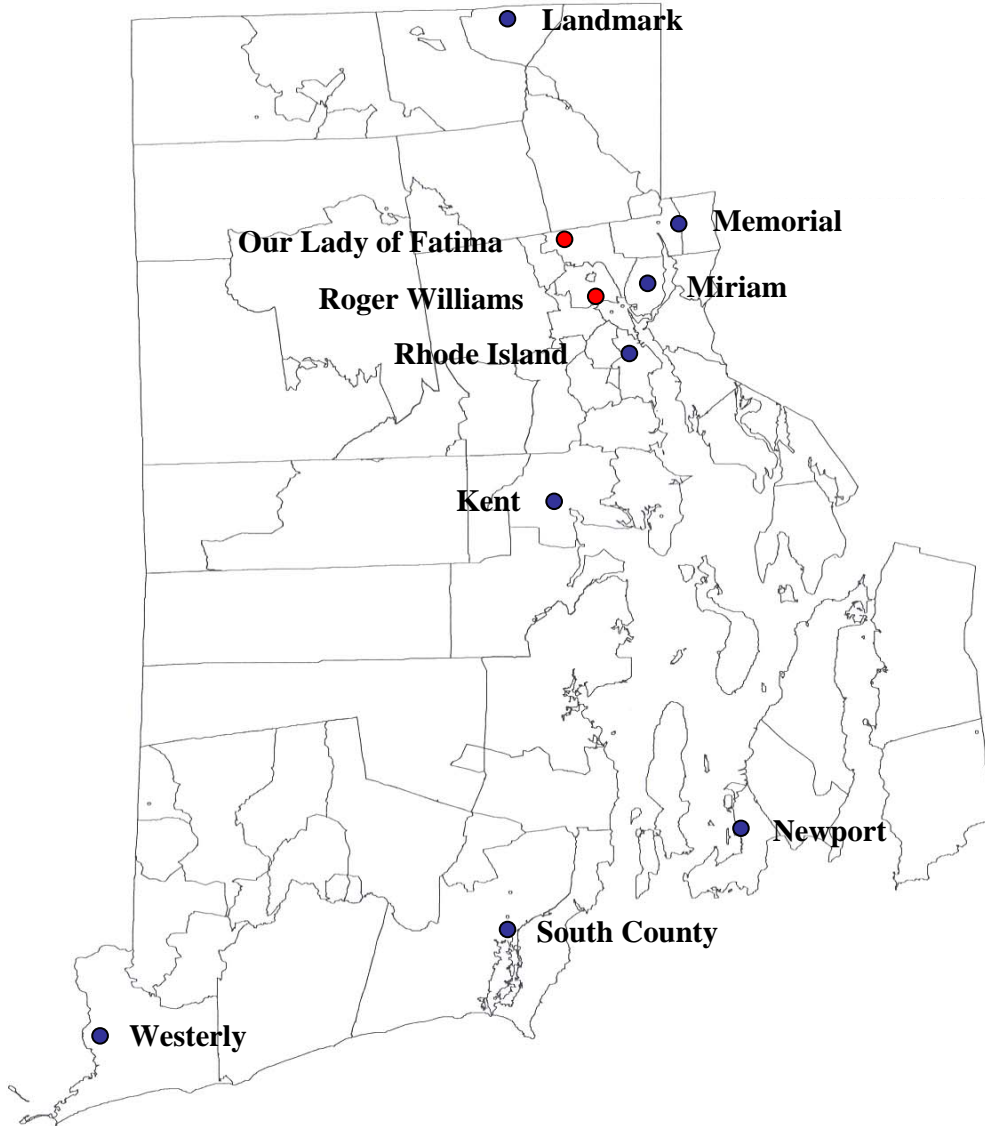
108. Please complete the following table with regards to average hospital charge per discharge for the last three (3) years [Contact: Center for Health Data and Analysis of the Rhode Island Department of Health at (401) 222-2550].

See Exhibit 60 and Exhibit 120.

109. Please address the following with regards to hospital based tertiary or specialty care services which shall include cardiac catheterization, positron emission tomography, linear accelerators, open heart surgery, organ transplantation, and neonatal intensive care services:
- a. Describe and document existing contractual or other agreements between each of the transacting parties and/or their affiliates for tertiary or specialty care services; and
 - b. Describe the plans of each of the transacting parties and/or their affiliates for any future development of any type of tertiary or specialty care service starting from the Effective Date and projected over the period of 5 years thereafter.
 - A. **There are no existing contractual or other agreements between RWH and SJHSRI for the provision of tertiary or specialty care services listed and/or as outlined in section 3.31 of the Rules and Regulations for Determination of Need for New Health Care Equipment and New Institutional Health Services.**
 - B. **As outlined in response to question 35, there are many clinical and ancillary departments which will be consolidated and /or coordinated among RWH and SJHSRI. In regards to those which are tertiary or specialty care services, the following future development plans are expected to be implemented over the next 5 years:**
 - **Cardiac Catheterization - RWH plans to re-activate its cardiac catheterization lab and become the site within the CCHP System for this service. Therefore, RWH will be the recipient of referrals from SJHSRI.**
 - **Bone Marrow Transplant – RWH will continue to be the site for Bone marrow Transplantation within the CCHP System. It is therefore, expected that SJHSRI patients who require this service will be referred to RWH.**
 - **Radiation Therapy (Linear Accelerator) — RWH will continue to be the site for Radiation Therapy Services within the CCHP System. It is expected that SJHSRI patients who require Radiation Therapy Services utilizing Linear Accelerator technology will be referred to RWH for this service.**

110. Please address the following regarding projected impact of the proposed conversion on service areas of hospitals in Rhode Island:

a. In geographic representation of the state of Rhode Island identify all hospitals on such a map, and identify which hospitals would be impacted by the proposed conversion (those of the acquiror and acquiree and their affiliates);

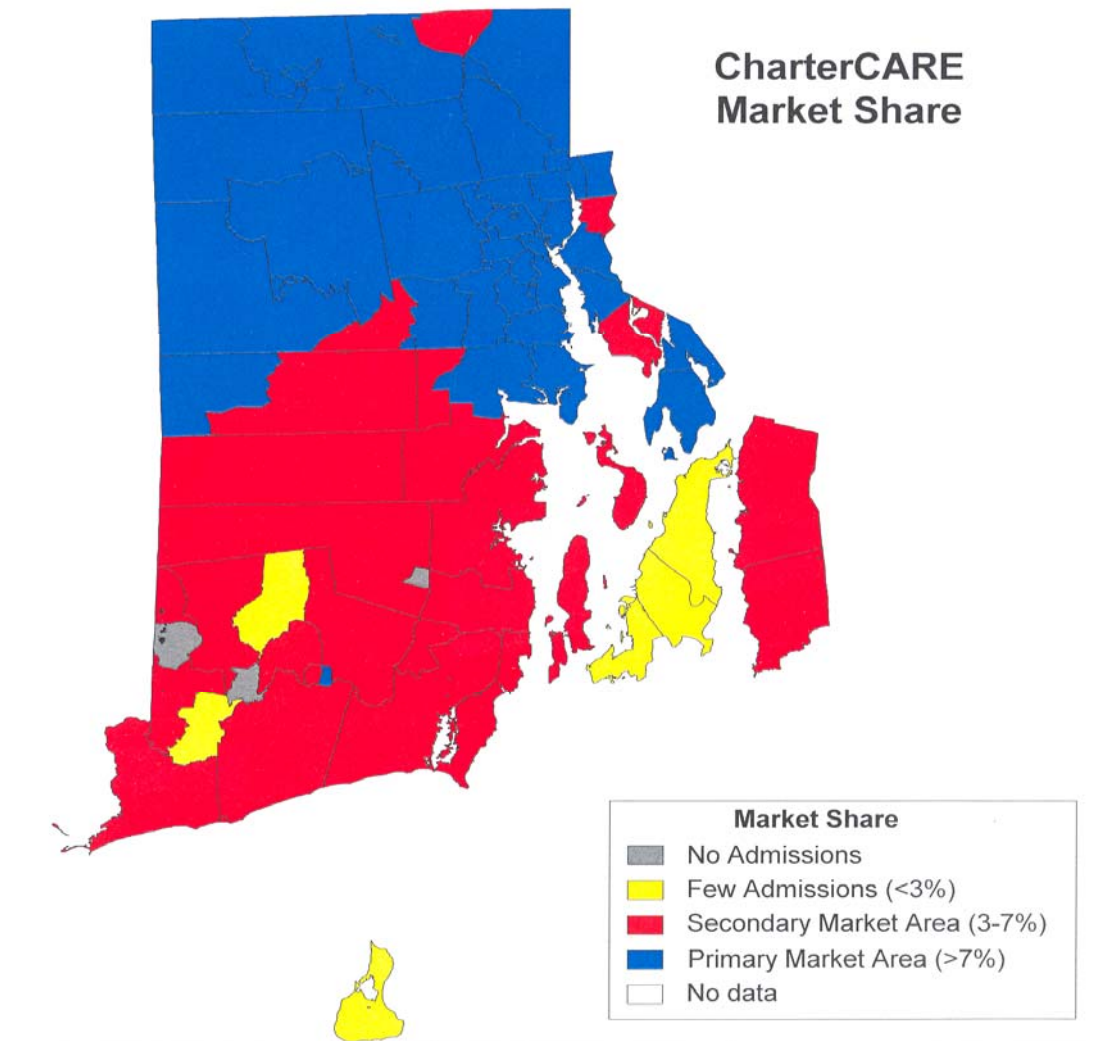


CCHP will not negatively impact the other hospitals in Rhode Island. The formation of CCHP comes in response to ongoing and dynamic changes impacting the healthcare field, to competitive and other pressures in the Rhode Island

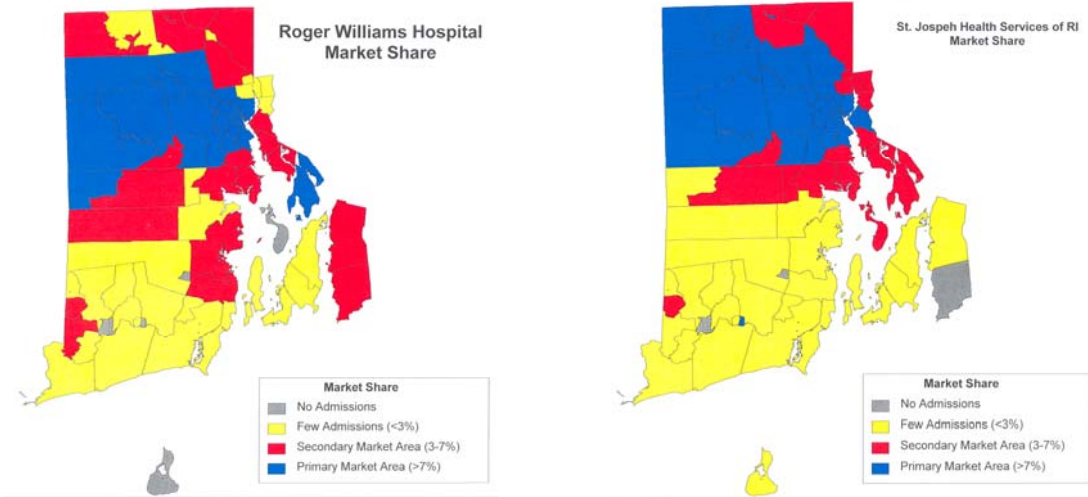
and Providence marketplaces, and to deeply held beliefs among the leaders of the Roger Williams and St. Joseph organizations that preserving and improving access to important health care services, improving the quality of healthcare delivery, and better managing the cost of care are fundamental obligations.

- b. In a separate geographic representation of the state of Rhode Island identify the primary and secondary services areas of the acquiror and acquiree and their affiliates. Clearly distinguish those primary and/or secondary services areas of the acquiror and acquiree and their affiliates that overlap;

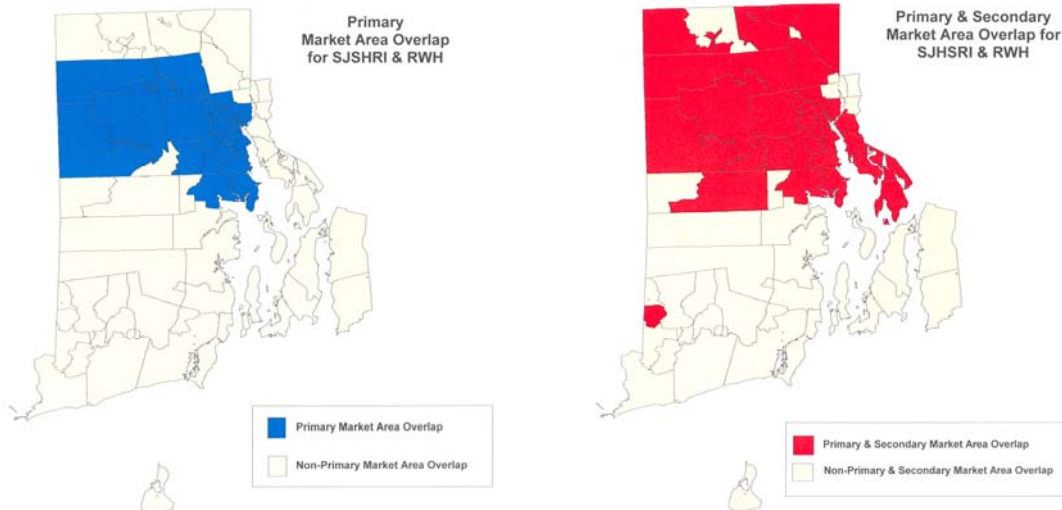
The map below depicts a geographic representation of the CCHP's Primary and secondary service areas based upon the existing market share of St. Joseph Health Services of Rhode Island and Roger Williams Hospital. The primary service area is identified as a city or township by which CCHP maintains equal or greater than 7% of the market share, while the secondary service area is identified as a city or township by which CCHP maintains equal or greater than 3% up to 6.99% of the market share.



The maps below depicts the geographic representations of the two hospitals looking to affiliate per this application.



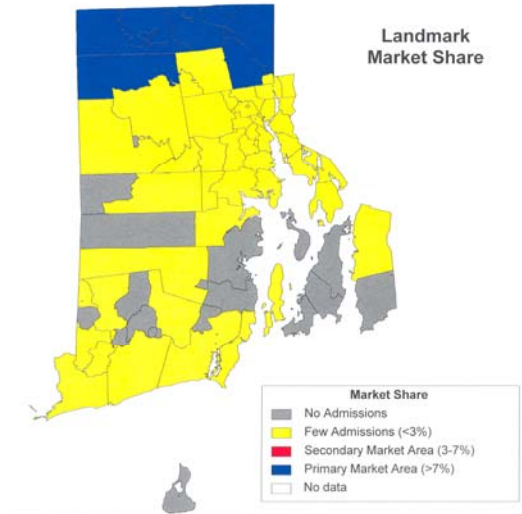
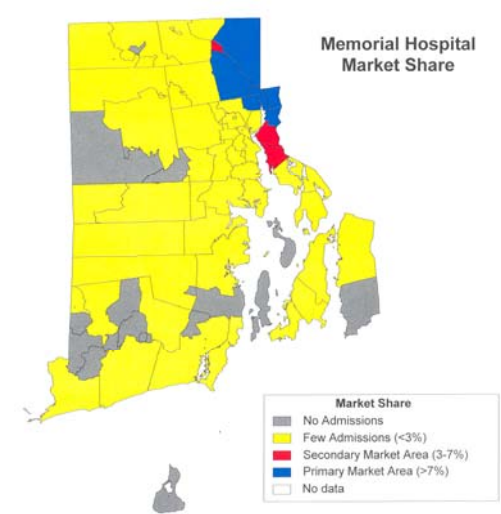
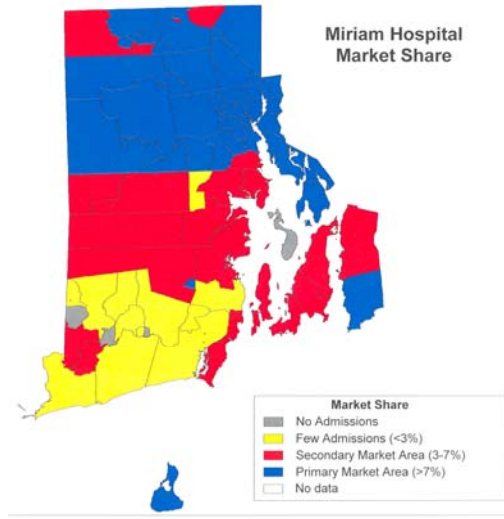
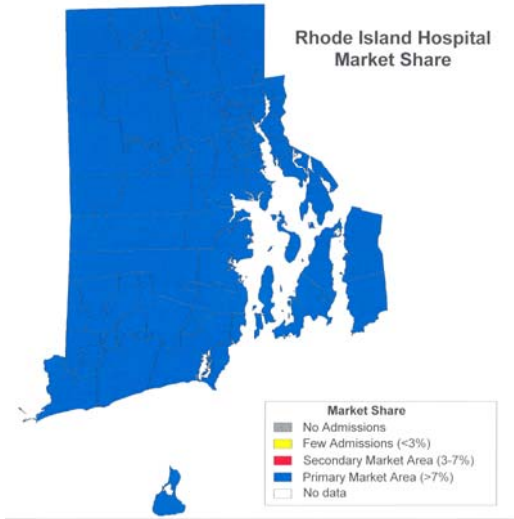
The maps below depict the geographic representations of the overlap between SJSHRI and RWH Primary and Secondary Market Areas. As can be seen by the maps below, there is significant overlap in both the Primary and Secondary Market areas of the two affiliating hospitals.

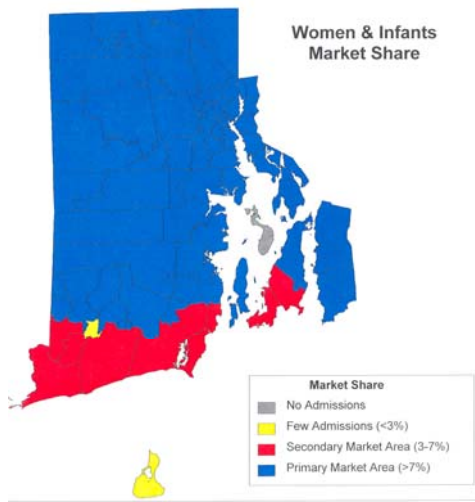
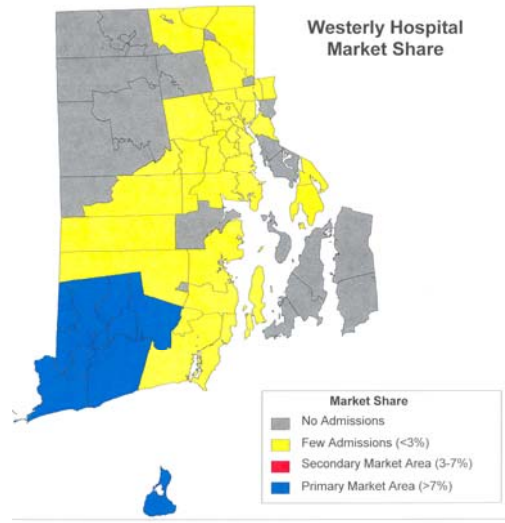
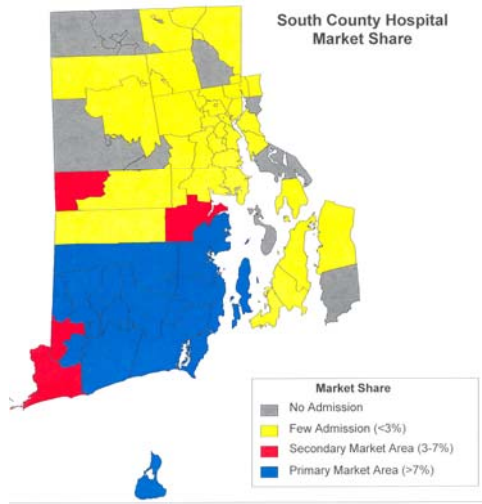
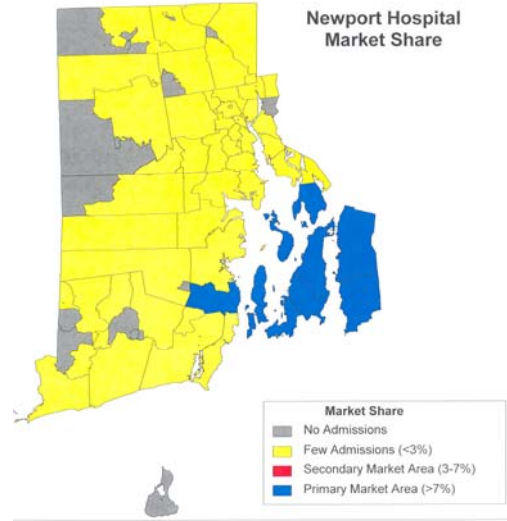
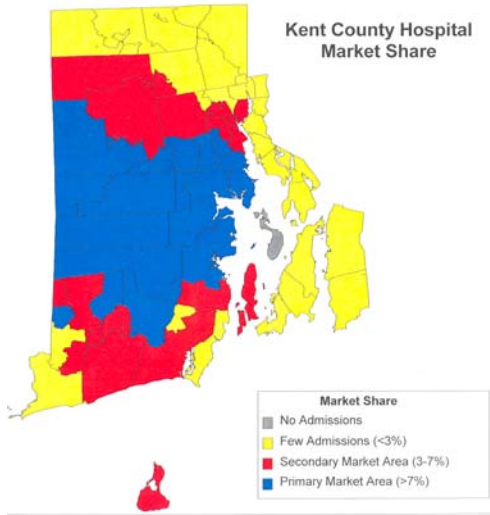


For discharges by city and hospital for primary market area, see Exhibit 121.

- c. In separate geographic representations of the state of Rhode Island, for each hospital that is not part of the acquiror and acquire and their affiliates, identify to what extent their primary and/or secondary service areas are served by the acquiror and acquiree and their affiliates (separately for each such hospital); and,

The maps below depict the geographic representations of the Providence County based hospitals that will not be affiliates of CCHP. Primary and secondary service areas are identified in a similar fashion to Part B above.





- d. Discuss in detail the appropriateness of the conversion based on the market share of the service area of the acquiror and acquiree and their affiliates in consideration of the charge of the Director of Health to ensure a balanced health care delivery system to the residents of the state. In addition, discuss how the proposed conversion would contribute to a balanced health care delivery system to the residents of the state.

The affiliation of Roger Williams Hospital and St. Joseph Health Services of Rhode Island to create CCHP Health Partners will help create a balanced health care delivery system for the residents of Rhode Island.

Upon affiliation of the two Hospitals, CCHP will represent roughly 24% of the inpatient market share of Providence County and roughly 15% of the overall inpatient market share for all of Rhode Island. Being that both CCHP affiliate hospitals are located in the densely populated region of Providence County and within 5 miles of one another, the affiliation will allow CCHP the opportunity to protect its existing market share in light of growing competition directly to the south. CCHP looks to identify and eliminate unnecessary redundancies within the system as part of this affiliation and reallocate those funds to improve the quality of services that CCHP provides to the residents of central and northwestern Rhode Island. The further development of the CCHP services will be focused on preserving and expanding access for such services while improving the quality of care provided in a more cost effective and efficient manner for the health care delivery system in Rhode Island.

111. Please address the following regarding projected impact of the proposed conversion on hospitals in Rhode Island:

a. Complete the table below with regards to the financial viability of the acquiror and acquiree and all of their affiliates that are licensed hospitals and all other hospitals in Rhode Island for the last three (3) years [Use the most recent version of the Hospitals Financial Dataset. At present this is: Hospital Financial Dataset 2006, published 12 July 2007, <http://www.health.ri.gov/chic/performance/hospitaldataset.xls>]:

Name of Hospital	2004			2005			2006		
	Total Revenue	Net Income & Gains	Profit Margin %	Total Revenue	Net Income & Gains	Profit Margin %	Total Revenue	Net Income & Gains	Profit Margin %
Acquiror and Affiliates (Transacting Parties)									
Dollars in Thousands									
Total RWMC	168,270	1,840	1.1%	161,772	(1,666)	-1.0%	154,152	2,346	1.5%
% of Statewide Total	5.8%	1.9%		5.9%	-2.9%		5.9%		
Acquiree & Affiliates (Transacting Parties)									
Dollars in Thousands									
Total SJHSRI	178,673	(2,402)	-1.3%	177,815	(550)	-0.3%	167,024	1,132	0.7%
% of Statewide Total	6.2%	-2.5%		6.4%	-1.0%		6.4%		
All Other Rhode Island Hospitals (Non Transacting Parties)									
Dollars in Millions									
Total All Other Hospitals	2,541	97,472	3.8%	2,424	59,636	2.5%	2,270	80,622	3.6%
% of Statewide Total	88%	100.6%		87.7%	103.9%		87.6%	95.9%	
Statewide Total	2,888	96,910	3.4%	2,764	57,420	2.1%	2,592	84,100	3.2%

- b. Discuss in detail the financial viability of the acquiror and acquiree and all of their affiliates that are licensed hospitals following the proposed conversion(s) and compare that to the financial viability of all other hospitals in Rhode Island that are not part of the proposed conversions; and

As depicted in Exhibit 61, there is a significant disparity between system affiliated hospitals and those who have remained separate and independent. RWH and SJHSRI in aggregate and the other community hospitals have been teetering around breakeven the last three years while the system hospitals have consistently reported positive profit margins. As discussed in the Community Hospital Task Force, reimbursement is an issue in the state as a whole. Rhode Island ranks at the bottom in the country. Additionally, there are inequities in the state among each institution as reimbursement rates vary for the same service.

Based on the financial pro forma prepared (see response to Question 33), the financial position of the two organizations (RWH and SJHSRI) is much stronger on a combined basis than individual stand alone organizations. With the affiliation, the organizations can recognize a significant amount of synergies as identified in the Business Plan of Efficiencies (Confidential Exhibit 35). These synergies could not be achieved without the affiliation. The system hospitals are able to spread fixed overhead costs over a greater base; reducing the overall unit cost. As detailed in the financial pro forma, the operating margin improves significantly over time as the synergies are recognized. The financial pro forma reflects a much stronger financial outlook under an affiliated status. The operating margins begin to trend closer to those currently recognized by “The System” hospitals. As noted above, the hospitals under a system arrangement have reported operating margins between 3-5% annually over the last few years; while the independent community hospitals have been at breakeven or negative operating margins. Given both the federal and state economic conditions and continued cuts in healthcare, it will be extremely difficult or nearly impossible for the “independent” community hospital to survive long term.

The proposed affiliation is not intended to affect the financial viability of other area hospitals not included in this proposal, principally due to the fact that any increases in market share by the transacting parties that are projected into the future are expected to be achieved by overall demographic growth and increased need for services. Listed below, however, is a brief overview of the financial viability of hospitals not included in the conversion that are in the intended primary market area of the proposed CCHP. This analysis was generated based on data produced by the Rhode Island Department of Health, The Health of Rhode Island’s Hospitals: A Financial Analysis (2007):

1. **Rhode Island Hospital:** Rhode Island Hospital is the largest member of the Lifespan health system. Net income from the years 2005-2008 ranged from a low of \$27 million (2008) to a high of \$52 million (2007). The transacting parties do not envision the conversion having significant effect on Rhode Island Hospital's financial viability in the future.
2. **The Miriam Hospital:** Miriam Hospital is the second largest hospital in the Lifespan system and a provider of cardiac and general medical/surgical services. Miriam Hospital had net income ranging from a low of \$6.7 million (2006) to a high of \$16.1 million (2007) for the years 2005-2008. Given this hospital's significant operating income and CCHP projection for future growth, the conversion is not anticipated to have any financial impact on The Miriam Hospital.
3. **Memorial Hospital of Rhode Island:** Memorial Hospital of Rhode Island is the principal provider to the city of Pawtucket and surrounding areas and a Brown University affiliate. Its net operating income ranged from a low of -\$13.3 million (2008) to a high of \$5 million (2007). Although Memorial Hospital experienced a net income loss in 2008, the transacting parties do not envision that conversion will have a financial impact on Memorial Hospital as CCHP growth will not come from Memorial's current patient base.
4. **Landmark Medical Center:** Landmark Medical Center is the primary hospital provider to Woonsocket, Rhode Island and surrounding areas offering general medical and cardiac care among other medical subspecialties. Landmark Medical Center has incurred operating losses ranging from \$8 million (2007) to \$1 million (2005) between 2005 and 2008. Though Landmark's financial condition deteriorated and the facility is currently under the oversight of a court appointed special master, the transacting parties do not project that a conversion will worsen or affect Landmark's current financial condition whatsoever based on the CCHP growth projected.
5. **Kent County Hospital:** Kent County Hospital is the principal provider of medical/surgical and medical subspecialty services to Warwick, Rhode Island and surrounding communities. It operates the state's second busiest emergency room. Kent Hospital has experienced net income losses ranging from a low of \$100,000 (2006) to a high of \$5.2 million (2007). Though Kent has operated at significant financial losses in previous years, this loss has lessened between 2007 and 2008. Regardless, the transacting parties do not envision that the conversion will have an effect on Kent County's financial stability since growth projections are based on demographic trends not redirected volume and that Kent is at the periphery of the CCHP primary market.

6. **Butler Hospital:** Butler Hospital is located in Providence and is a specialty hospital providing psychiatric and behavioral health services to surrounding communities. Butler has had operating results ranging from -\$2.7 million (2005) to an operating gain of \$2.3 million (2007). Butler has operated with a net income of \$1.9 million in 2008. Operating history shows that Butler has remained primarily stable over the past four years and the transacting parties do not envision the conversion having an effect on area psychiatric services that would destabilize Butler's current financial position.
 7. **Women & Infants Hospital:** Women & Infants Hospital located in Providence is the state's largest provider of obstetrical and women's services. Women & Infants has operated generally a positive net income in the years 2005-2008 with a net loss occurring only in 2007 (\$2.5 million) and with operating margin as high as \$7.4 million in 2005. Because of the specialty nature of Women & Infants Hospital and the lack of obstetrical services at both proposed hospitals in the CCHP system, the conversion is not anticipated to have any effect on Women & Infants financial future.
- c. Discuss in detail the appropriateness of the conversion based on the impact of the proposed conversion(s) on the financial viability of the hospitals that would not be included in the proposed conversion in consideration of the charge of the Director of Health to ensure a balanced health care delivery system to the residents of the state. In addition, discuss how the proposed conversion would contribute to a balanced health care delivery system to the residents of the state.

The proposed affiliation should not affect the financial viability of other hospitals not included in this proposal. The proposed affiliation will result in better coordination of services, patient care and satisfaction. The benefits of the affiliation from a financial perspective include but are not limited to: the establishment and coordination of industry best practices between facilities; the preservation of patient access for residents of Providence County and beyond; the ability to provide new and preserve existing services based on community need; the ability to more efficiently allocate limited capital and operational resources within the system; and the ability of both hospitals to maintain financial viability to assure they are capable of providing services in the distant future. In addition, please refer to the Business Plan of Efficiencies at Confidential Exhibit 35.

CCHP plans to preserve its existing services and look to modify its services to continuously fulfill the changing community health needs for both its primary and secondary service areas. While both Hospitals collectively provide inpatient services to roughly 24% of those residents of Providence County in need of admission, the affiliation will allow the two organizations the opportunity to do so in a much more cost effective and efficient manner. To this end, CCHP will look to reallocate the cost savings to improve both its inpatient and outpatient services in an effort to become the premier health care provider in Rhode Island.

Please see Confidential Exhibit 44, the draft Inaugural Strategic Plan and Confidential Exhibit 81, the January 31, 2009 Inaugural Strategic Plan which outline the strategic intent of CCHP for the first years of its existence.

The annual 2% growth rate in volume for CCHP is based on a report from the Advisory Board Innovations Center (the “Advisory Board”) entitled “Demand for Hospital Services.” See Confidential Exhibit 78(C), bates stamped C016077–C016096. The Advisory Board is a prominent national consulting firm from Washington, DC, that provides best practice research and consulting services to leading hospitals and health systems throughout the country.

While aging of the baby boomer population will have a significant impact on the utilization of health care services in the future, other factors such as new technology/procedures, epidemiology, and lifestyle factors will influence hospital demand. Most recently, milder than expected flu seasons, reduction in cardiac services and changes in rules involving short stay admissions and observation status may result in modest increases in the short-term.

It should be noted that the projected increase in volume was solely derived from demographic based methodology reflecting the aging population SJHSRI and RWH serves. None of the volume projected is expected to be gained from competing hospital market share.

112. Please address the following regarding projected impact of the proposed conversion on market share of hospital beds in Rhode Island:
- a. Complete the table below with regard to hospital utilization of the acquiror and acquiree and all of their affiliates and all other hospitals in Rhode Island for last three (3) years [Contact: Center for Health Data and Analysis of the Rhode Island Department of Health at (401) 222-2550]. Please reproduce the table below for additional years, as needed:

See Exhibit 62 – 2008 data is not available.

- b. Discuss in detail the market share of the licensed bed capacity, staffed bed capacity and utilization volume of the acquiror and acquiree and all of their affiliates and compare that to the licensed bed capacity, staffed bed capacity and utilization volume of all other Rhode Island based hospitals that are not part of the proposed conversions (including identification of the post-conversion market share of bed capacity and utilization volume); and

The proposed affiliation will not affect the licensed beds of either RWH or SJHSRI. Based on market information for the prior three years, RWH and SJHSRI collectively, have represented approximately 19% of the licensed beds and approximately 20% of the staffed beds in the state. From a utilization perspective, RWH and SJHSRI have represented between 13.4% and 13.8% of discharges in the state and between 16.7% and 17.5% of the patient days. The affiliation will not impact other institutions that are not part of the proposal.

As set forth in response to Question 18(d) and Exhibit 78(C), bates number C016077-C016096, there is an anticipated 2% growth based upon SJHSRI and RWH's existing patient population. The growth is not expected to include patients from other community hospitals that are not part of the proposed conversion.

RWH and SJHSRI both recognize that by joining together to create a new health care system, CCHP, that they can enhance their respective charitable purposes and missions, as well as better serve the health care needs of the communities they currently serve. It is the intention of CCHP to coordinate and consolidate various administrative, support and clinical services as is mentioned in previous questions (45, 52 & 64) in order to ensure its future viability and to enhance the care both hospitals currently maintain within their respective communities.

As highlighted in Question 110, CCHP's primary market area represents a majority of Providence County and a few adjacent cities/towns. It is the intention of CCHP through this affiliation to help its hospitals secure their positions within its primary market area, rather than to look to expand into other markets.

Currently, within the designated Primary Market Area, CCHP would maintain roughly 19.1% of the total discharges for that area. While this represents

a significant portion of the market share, Lifespan and Care New England would represent approximately 45.8% and 28.1% respectively within the same area. CCHP recognizes that patients have choices for where they wish to seek care and thus CCHP will look to reinvest monies saved from consolidation and coordination into programmatic advancements and improving quality within its existing services.

Currently within CCHP's Primary Market Area, there are a number of hospitals, both system based and independent, that treat patients within the same markets. Below is a brief description of what CCHP feels will be the impact of its affiliation on the market share of its surrounding hospitals.

Lifespan Affiliates

- **Rhode Island Hospital** – Rhode Island Hospital represents the largest acute care facility in the State of Rhode Island and provides the full myriad of acute and tertiary services necessary to be the region's only Level 1 trauma center. It is expected that the creation of CCHP will have very little impact on Lifespan's market share as they currently pull patients from throughout all of Rhode Island and already maintains over 28% of the market share in CCHP's Primary Market Area. With the size and variety of services offered at the academic hospital, CCHP does not plan or expect to alter Rhode Island's market share.
- **Miriam Hospital** – Miriam Hospital currently maintains a similar primary market area as CCHP, and currently maintains roughly 11.2% of the market share within CCHP's primary market area. Miriam Hospital is a major academic hospital and has recognized programs in acute cardiac care and stroke to name a few. While Miriam is not nearly as large as Rhode Island Hospital, its specialization and location in the eastside of Providence should not be impacted by the creation of CCHP.
- **Newport Hospital** – Newport Hospital is located in Newport County on Aquidneck Island and thus is not in CCHP's primary service area. The impact of the creation of CCHP on Newport Hospital will be non-existent as very few patients currently travel from Newport County to SJHSRI or RWH for their healthcare needs.
- **Bradley Hospital** – The Bradley Hospital in East Providence offers a wide range of programs and services for children and young adults with psychological, developmental and behavioral conditions. As the behavioral health programs currently maintained at both SJHSRI and RWH are focused on the adult and geriatric populations, there will be no impact on Bradley Hospital as a result of the creation of CCHP.

Care New England Affiliates

- **Kent Hospital** – Kent Hospital is located in Warwick within Kent County. It currently draws its patient base primarily from central Rhode Island up to Providence in the northern half of the state and has its primary market area focused around Warwick. Kent Hospital offers a wide variety of services within its facilities and based on its geographic location and catchment area, the creation of CCHP should have little impact on Kent Hospital.
- **Women & Infants Hospital** – Women & Infants Hospital specializes in treating women and infant services. While there is some overlap in services offered by W&I and the CCHP affiliates, neither RWH nor SJHSRI have birthing centers or infant care programs in their service capabilities. CCHP should have no impact on W&I's market share in northern Rhode Island.
- **Butler Hospital** – Butler Hospital located in Providence provides a wide range of programs and services for adults with psychological and behavioral conditions. As Butler Hospital, SJSHRI, RWH and the other psychiatric programs within the state have operated and modified their services in the past to adjust to the behavioral health needs of the Rhode Island communities, CCHP recognizes the value of Butler Hospital as it pertains to the fulfillment of the community need. Based on the current demand for behavioral health services in Rhode Island and that CCHP does not plan to expand its licensed or operating bed capacity as a result of this affiliation, CCHP does not expect to have a negative impact on the market share of Butler Hospital.

Independent Community Hospitals

- **Landmark Hospital** – Landmark Hospital is located in Woonsocket and maintains a catchment area of the extreme northern area of Rhode Island. While the market areas of Landmark and the CCHP affiliates overlap to a certain extent and the services offered by all three hospitals are generally the same, CCHP does not expect to capture additional market share from Landmark as part of the affiliation primarily due to its geographic location.
- **Memorial Hospital** – Memorial Hospital currently centers its primary market area around Pawtucket and the East Providence locations. While there is some overlap in catchment areas with the CCHP affiliates, the populations which the Hospitals serve typically do not travel from one

region to the other as can be seen by the minimal market share CCHP would possess in Memorial's catchment area. Therefore, CCHP does not believe that its creation would negatively affect the market share of Memorial Hospital.

- **South County Hospital** – South County Hospital is located in Wakefield within Washington County. Currently, South County Hospital maintains less than 1% of the market share in CCHP's primary market area, and subsequently CCHP maintains very little market share in South County's primary market area. Therefore, the creation of CCHP should have no impact on South County Hospital.
- **Westerly Hospital** - Westerly Hospital is located in the extreme south western portion of Rhode Island. Currently, Westerly Hospital maintains less than 1% of the market share in CCHP's primary market area, and subsequently CCHP maintains very little market share in Westerly's primary market area. Therefore, the creation of CCHP should have no impact on Westerly Hospital.

- c. Discuss in detail the appropriateness of the conversion based on the share of licensed beds, staffed beds and utilization volume of the acquiror and their affiliates in consideration of the charge of the Director of Health to ensure a balanced health care delivery system to the residents of the state. And discuss how the proposed conversion would contribute to a balanced health care delivery system to the residents of the state.

The proposed conversion will not affect the ability of the residents of Rhode Island to access/seek quality medical care. Both hospitals will remain in operation under separate licensure as they are today. Due to the close proximity, the institutions will be able to recognize substantial synergies as detailed on the Business Plan of Efficiencies. Access to medical services will not be negatively affected, in fact, the community should see improvement through the coordination of efforts between the two institutions. The Inaugural Strategic Plan provides the details. The benefits of the affiliation center around the establishment and coordination of industry best practices between facilities; the preservation of patient access for residents of Providence County and beyond; the ability to provide new and preserve existing services based on community need; the ability to more efficiently allocate limited capital and operational resources within the system; and the ability of both hospitals to maintain financial viability to assure they are capable of providing services in the distant future. There is significant financial disparity between those institutions that are part of a system and those that have remained independent community hospitals. This is evidenced by the financial results reported over the last few years.

113. Please address the following with regards to hospital based tertiary or specialty care services which shall include cardiac catheterization, positron emission tomography, linear accelerators, open heart surgery, organ transplantation, and neonatal intensive care services [contact Office of Health Systems Development of the Rhode Island Department of Health at (401) 222-2788]:

a. Identify the type, if any, of tertiary or specialty care services provided by each of acquiror and acquiree and all of their affiliates and all other hospital providing those services in Rhode Island for the last three (3) years. Please reproduce the tables for additional years, as needed.

See Exhibit 63 and Exhibit 130.

b. Discuss in detail the impact on the market share of the acquiror and its affiliates, if the proposed conversion takes place, on each of the six tertiary or specialty care services (including identification of the post-conversion market share in each of those services); and

As indicated in response to Question #113(A), the Tertiary/Specialty Care service market share of CCHP Health Partners for FY 2007 is as follows: Cardiac Catheterization – 0%, Radiation Therapy – 5.1%, and Positron Emission Tomography – 19.0%. Given SJHSRI does not have a Cardiac Catheterization Lab or Radiation Therapy Facility, it is expected that referrals from SJHSRI would more likely come to RWH for these services, thereby increasing the market share of RWH. However, given the extremely low market share for the Tertiary Services identified, the effect that the proposed affiliation will have is expected to be minimal on the current statewide market share for these services. In regards to open heart surgery, neonatal services and organ transplantation services, neither RWH nor SJHSRI provide those services, and, therefore, no changes to market share are anticipated.

***Note: The RWH Cardiac Cath Lab is temporarily in-operable until new monitoring equipment is installed.**

c. Discuss in detail the appropriateness of the conversion based on the share of tertiary care services in consideration of the charge of the Director of Health to ensure a balanced health care delivery system to the residents of the state. And discuss how the proposed conversion would contribute to a balanced health care delivery system to the residents of the state.

As indicated in response to the previous question, the combined market share of RWH and SJHSRI for the Tertiary and Specialty Care Services identified will be minimal and will have no impact on the balance of the Health Care System in Rhode Island.

It is the belief of the transacting parties that the proposed conversion will indeed contribute to a balanced health care delivery system for the residents of the state. This can be evident in particular by referencing the government July 2007 report by the Community Hospital's Task Force, which holds forth a number of key agenda items to which this application is particularly well suited.

1. **Collaboration Between Providers Up to and Including Merger:** The affiliation (as opposed to a full asset merger) will certainly propose collaboration by the consolidation of business operational functions between two hospitals, coordination of clinical services and consolidation of some clinical services with the intended benefit of improved coordination, elimination of duplication and maintenance of access to primary care and other essential services by populations that are currently served. For example, the St. Joseph Health Services organization is a critical provider of primary care services to residents of the South Providence area through its St. Joseph Health Center for Human Services. Under the conversion, these services will remain unchanged as referenced in the application from their present condition. The affiliation, which is intended to improve the financial stability of both organizations will enhance St. Joseph's individual ability to maintain these clinics and consider future expansions in areas such as pediatric dentistry, primary care and pediatrics, though none are specifically contemplated as a result of this application.
2. **Collaboration Across and Between Hospitals and Other Providers:** The proposed conversion will increase collaboration between RWH and SJHSRI as indicated in the various responses to this question. In addition, it will encourage participation and collaboration between other providers, particularly the medical staff organizations of both hospitals. While the application projects that the medical staff structures of each hospital will remain independent, the CCHP organization will encourage collaboration in whatever ways are possible between the medical staffs of both organizations. For example, encouragement of use of best clinical practices in clinical specialties where similar patient types are treated between the two facilities will be encouraged and supported by the CCHP leadership. The CCHP organizational structure will call for the hiring of a system wide Chief Medical Officer, who will be specifically charged with seeking out areas of opportunity and collaboration between the two medical staffs.

There are numerous examples by which the organizations can collaborate clinically among themselves and other providers. For example, both organizations maintain a significant behavioral health component. It is the intention of this post conversion that these services, while intended to remain physically present at both the St. Joseph and Roger Williams facilities, will

be centrally managed by a central administrative and medical director. The central administration of the behavioral health program will continue in the tradition of both individual hospitals by encouraging a high degree of collaboration and interaction with area community mental health centers, psychiatry, substance abuse providers and others on the appropriate disposition of patients.

With pending Medicaid waiver in the state of Rhode Island, it is anticipated that inpatient utilization will be required to be streamlined and as focused as possible for providers to succeed under the general premises of the waiver program. This will require that the CCHP behavioral health program will collaborate openly in networks with community mental health centers and other substance abuse providers and psychiatrists to assure a coordinated delivery system. While no coordinated delivery system has been solidified at this time, the intent is to collaborate highly at multiple levels of the behavioral health system.

3. **Utilization Of Provider's Own Capacity Must Be Used To Reduce Cost And Increase Quality:** This objective of the Governor's task force should be met by the proposed conversion in a number of ways. First, as evident herein, it is the intention of the providers to reduce collective expenses by approximately \$15 million in the first three years of the operation of the CCHP system. These reductions are primarily focused on duplicative "back office" business services and administrative function that can be jointly coordinated to avoid duplication. Secondly, the CCHP leadership intends to work closely with its medical staff to include use of "best practices" between the medical leaderships of both facilities to ensure the most optimal quality. Finally, where possible, in instances where services can be clinically better coordinated to assure movement along a continuum of care CCHP leadership will encourage this post affiliation. For example, in the area of cancer treatment, both organizations have respectable services in the area of cancer/oncology. St. Joseph maintains the Alice Viola Breast Center, a center of excellence offering the latest in technology for women's breast care. RWMC operates a recently expanded cancer center as well as bone marrow treatment programs. While it is anticipated that these services will remain separate from a health care licensure standpoint, efforts will be focused to assure that patients within the CCHP system, subject to appropriate patient choice, will utilize services that are coordinated within the CCHP system.

As such, it is the transacting parties' assertion that the application is fully consistent with the operation of a balanced health care delivery system as well as the objectives set forth in the Governor's Task Force on Community Hospitals.

APPENDIX A: SJHSRI
DISCLOSURE OF OWNERSHIP AND CONTROL INTEREST

All applicants must complete this Appendix.

Please answer the following questions by checking either 'Yes' or 'No'. If any of the questions are answered 'Yes', please list the names and addresses of individuals or corporations on an attached sheet (identify each answer with the appropriate number of the question).

- A. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the acquiror or acquiree, that have been convicted of a criminal offense related to the involvement of such persons or organizations in any of the programs established by Titles XVIII, XIX of the Social Security Act?

Yes ___ No X

- B. Will there be any directors, officers, agents, or managers of the acquiror or acquiree who have ever been convicted of a criminal offense related to their involvement in such programs established by Titles XVIII, XIX of the Social Security Act?

Yes ___ No X

- C. Are there (or will there be) any individuals employed by the acquiror or acquiree in a managerial, accounting, auditing, or similar capacity who were employed by the applicant's fiscal intermediary within the past 12 months (Title XVIII providers only)?

Yes ___ No X

- D. Will there be any individuals (or organizations) having direct (or indirect) ownership interests, separately (or in combination), of 5 percent or more in the acquiror? (Indirect ownership interest is ownership in any entity higher in a pyramid than the applicant)

Yes ___ No X (Note, if the applicant is a subsidiary of a "parent" corporation, the response is "Yes")

- E. Will there be any individuals (or organizations) having ownership interest (equal to at least 5 percent of the facility's assets) in a mortgage or other obligation secured by the facility?

Yes ___ No X

- F. Will there be any individuals (or organizations) that have an ownership or control interest of 5 percent or more in a subcontractor in which the acquiror or acquiree has a direct or indirect ownership interest of 5 percent or more (please also identify those subcontractors).

Yes ___ No X

G. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the acquirer or acquiree, who have been direct (or indirect) owners or employees of a health care facility against which sanctions (of any kind) were imposed by any governmental agency?

Yes__ No X

H. Will there be any directors, officers, agents, or managing employees of the applicant (or facility) who have been direct (or indirect) owners or employees of a health care facility against which any sanctions were imposed by any governmental agency?

Yes__ No X

APPENDIX A: RWH/RWMC
DISCLOSURE OF OWNERSHIP AND CONTROL INTEREST

All applicants must complete this Appendix.

Please answer the following questions by checking either 'Yes' or 'No'. If any of the questions are answered 'Yes', please list the names and addresses of individuals or corporations on an attached sheet (identify each answer with the appropriate number of the question).

- A. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the acquiror or acquiree, that have been convicted of a criminal offense related to the involvement of such persons or organizations in any of the programs established by Titles XVIII, XIX of the Social Security Act?

Yes ___ No X

- B. Will there be any directors, officers, agents, or managers of the acquiror or acquiree who have ever been convicted of a criminal offense related to their involvement in such programs established by Titles XVIII, XIX of the Social Security Act?

Yes ___ No X

- C. Are there (or will there be) any individuals employed by the acquiror or acquiree in a managerial, accounting, auditing, or similar capacity who were employed by the applicant's fiscal intermediary within the past 12 months (Title XVIII providers only)?

Yes ___ No X

- D. Will there be any individuals (or organizations) having direct (or indirect) ownership interests, separately (or in combination), of 5 percent or more in the acquiror? (Indirect ownership interest is ownership in any entity higher in a pyramid than the applicant)

Yes ___ No X (Note, if the applicant is a subsidiary of a "parent" corporation, the response is "Yes")

- E. Will there be any individuals (or organizations) having ownership interest (equal to at least 5 percent of the facility's assets) in a mortgage or other obligation secured by the facility?

Yes ___ No X

- F. Will there be any individuals (or organizations) that have an ownership or control interest of 5 percent or more in a subcontractor in which the acquiror or acquiree has a direct or indirect ownership interest of 5 percent or more (please also identify those subcontractors).

Yes ___ No X

- G. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the acquirer or acquiree, who have been direct (or indirect) owners or employees of a health care facility against which sanctions (of any kind) were imposed by any governmental agency?

Yes__ No X

- H. Will there be any directors, officers, agents, or managing employees of the applicant (or facility) who have been direct (or indirect) owners or employees of a health care facility against which any sanctions were imposed by any governmental agency?

Yes X No__

RWMC was subject to an agreed upon consent order between RWMC and the Rhode Island Department of Health from April 2006 to April 2007.

RWMC was subject to an agreed upon Deferred Prosecution Agreement between RWMC and the United States of America from January 2006 through December 31, 2007.

APPENDIX A: CCHP
DISCLOSURE OF OWNERSHIP AND CONTROL INTEREST

All applicants must complete this Appendix.

Please answer the following questions by checking either 'Yes' or 'No'. If any of the questions are answered 'Yes', please list the names and addresses of individuals or corporations on an attached sheet (identify each answer with the appropriate number of the question).

- A. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the acquiror or acquiree, that have been convicted of a criminal offense related to the involvement of such persons or organizations in any of the programs established by Titles XVIII, XIX of the Social Security Act?

Yes ___ No X

- B. Will there be any directors, officers, agents, or managers of the acquiror or acquiree who have ever been convicted of a criminal offense related to their involvement in such programs established by Titles XVIII, XIX of the Social Security Act?

Yes ___ No X

- C. Are there (or will there be) any individuals employed by the acquiror or acquiree in a managerial, accounting, auditing, or similar capacity who were employed by the applicant's fiscal intermediary within the past 12 months (Title XVIII providers only)?

Yes ___ No X

- D. Will there be any individuals (or organizations) having direct (or indirect) ownership interests, separately (or in combination), of 5 percent or more in the acquiror? (Indirect ownership interest is ownership in any entity higher in a pyramid than the applicant)

Yes ___ No X (Note, if the applicant is a subsidiary of a "parent" corporation, the response is 'Yes')

- E. Will there be any individuals (or organizations) having ownership interest (equal to at least 5 percent of the facility's assets) in a mortgage or other obligation secured by the facility?

Yes ___ No X

- F. Will there be any individuals (or organizations) that have an ownership or control interest of 5 percent or more in a subcontractor in which the acquiror or acquiree has a direct or indirect ownership interest of 5 percent or more (please also identify those subcontractors).

Yes ___ No X

G. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the acquirer or acquiree, who have been direct (or indirect) owners or employees of a health care facility against which sanctions (of any kind) were imposed by any governmental agency?

Yes__ No X

H. Will there be any directors, officers, agents, or managing employees of the applicant (or facility) who have been direct (or indirect) owners or employees of a health care facility against which any sanctions were imposed by any governmental agency?

Yes__ No X

APPENDIX B: SJHSRI*
**ELIMINATION OR REDUCTION IN EMERGENCY DEPARTMENT
AND PRIMARY CARE SERVICES**

Please provide a written plan describing the proposed reduction or elimination that shall include, at a minimum, the following information:

- a. description of the services to be reduced or eliminated;
- b. the proposed change in hours of operation, if any;
- c. the proposed changes in staffing, if any;
- d. the documented length of time the services to be reduced or eliminated have been available at the facility;
- e. the number of patients utilizing those services that are to be reduced or eliminated annually during the most recent three (3) years;
- f. aggregate data delineating the insurance status of the individuals served by the facility during the most recent three (3) years;
- g. data describing the insurance status of those individuals utilizing those services that are to be reduced or eliminated annually during the most recent three (3) years;
- h. the geographical area for which the facility provides services; and
- i. identification and description, including supporting data and statistical analyses, of the impact of the proposed elimination or reduction on:
 - 1) access to health care services for traditionally underserved populations, including but not limited to, Medicaid, uninsured and underinsured patients, and racial and ethnic minority populations;
 - 2) the delivery of such services on the affected community: emergency and/or primary care in the cities and towns whose residents are regularly served by the hospital (the "affected" cities and towns);
 - 3) other licensed hospitals or health care providers in the affected community or cities and towns; and
 - 4) other licensed hospitals or health care providers in the state

***There will be no elimination or reduction in emergency department or primary care services at SJHSRI.**

APPENDIX B: RWH/RWMC*
**ELIMINATION OR REDUCTION IN EMERGENCY DEPARTMENT
AND PRIMARY CARE SERVICES**

Please provide a written plan describing the proposed reduction or elimination that shall include, at a minimum, the following information:

- a. description of the services to be reduced or eliminated;
- b. the proposed change in hours of operation, if any;
- c. the proposed changes in staffing, if any;
- d. the documented length of time the services to be reduced or eliminated have been available at the facility;
- e. the number of patients utilizing those services that are to be reduced or eliminated annually during the most recent three (3) years;
- f. aggregate data delineating the insurance status of the individuals served by the facility during the most recent three (3) years;
- g. data describing the insurance status of those individuals utilizing those services that are to be reduced or eliminated annually during the most recent three (3) years;
- h. the geographical area for which the facility provides services; and
- i. identification and description, including supporting data and statistical analyses, of the impact of the proposed elimination or reduction on:
 - 1) access to health care services for traditionally underserved populations, including but not limited to, Medicaid, uninsured and underinsured patients, and racial and ethnic minority populations;
 - 2) the delivery of such services on the affected community: emergency and/or primary care in the cities and towns whose residents are regularly served by the hospital (the "affected" cities and towns);
 - 3) other licensed hospitals or health care providers in the affected community or cities and towns; and
 - 4) other licensed hospitals or health care providers in the state

***There will be no elimination or reduction in emergency department or primary care services at RWH.**

APPENDIX B: CCHP*
**ELIMINATION OR REDUCTION IN EMERGENCY DEPARTMENT
AND PRIMARY CARE SERVICES**

Please provide a written plan describing the proposed reduction or elimination that shall include, at a minimum, the following information:

- a. description of the services to be reduced or eliminated;
- b. the proposed change in hours of operation, if any;
- c. the proposed changes in staffing, if any;
- d. the documented length of time the services to be reduced or eliminated have been available at the facility;
- e. the number of patients utilizing those services that are to be reduced or eliminated annually during the most recent three (3) years;
- f. aggregate data delineating the insurance status of the individuals served by the facility during the most recent three (3) years;
- g. data describing the insurance status of those individuals utilizing those services that are to be reduced or eliminated annually during the most recent three (3) years;
- h. the geographical area for which the facility provides services; and
- i. identification and description, including supporting data and statistical analyses, of the impact of the proposed elimination or reduction on:
 - 1) access to health care services for traditionally underserved populations, including but not limited to, Medicaid, uninsured and underinsured patients, and racial and ethnic minority populations;
 - 2) the delivery of such services on the affected community: emergency and/or primary care in the cities and towns whose residents are regularly served by the hospital (the "affected" cities and towns);
 - 3) other licensed hospitals or health care providers in the affected community or cities and towns; and
 - 4) other licensed hospitals or health care providers in the state

***There will be no elimination or reduction in emergency department or primary care services at SJHSRI, or RWH.**

APPENDIX C: SJHSRI

DEBT FINANCING

Acquirors contemplating the incurrence of a financial obligation for full or partial funding must complete and submit this appendix.

There are no capital costs required to effectuate the proposed conversion, and therefore, no financial obligations for full or partial funding.

Name of Acquiror: _____

1. Describe the proposed debt by completing the following:

- a.) type of debt contemplated: _____
- b.) term (months or years): _____
- c.) principal amount borrowed: _____
- d.) probable interest rate: _____
- e.) points, discounts, origination fees: _____
- f.) likely security: _____
- g.) disposition of property (if a lease is revoked) _____
- h.) prepayment penalties or call features: _____
- i.) front-end costs (e.g. underwriting spread, feasibility study, legal and printing expense, points, etc.): _____
- j.) debt service reserve fund: _____

2. Compare this method of financing with at least two alternative methods including tax-exempt bond or notes. The comparison should be framed in terms of availability, interest rate, term, equity participation, front-end costs, security, prepayment provision and other relevant considerations.

3. If this proposal involves refinancing of existing debt, please indicate the original principal, the current balance, the interest rate, the years remaining on the debt and a justification for the refinancing contemplated.

4. Present evidence justifying the refinancing in Question 3. Such evidence should show quantitatively that the net present cost of refinancing is less than that of the existing debt, or it should show that this project cannot be financed without refinancing existing debt. What if there's another justification?

5. If lease financing for this proposal is contemplated, please compare the advantages and disadvantages of a lease versus the option of purchase. Please make the comparison using the following criteria: term of lease, annual lease payments, salvage value of equipment at lease termination, purchase options, value of insurance and purchase options contained in the lease, discounted cash flows under both lease and purchase arrangements, and the discount rate.

6. Present a debt service schedule for the chosen method of financing, which clearly indicates the total amount borrowed and the total amount repaid per year. Of the amount repaid per year, the total dollars applied to principal and total dollars applied to interest must be shown.

7. Please include herewith, an annual analysis of your facility's cash flow for the period between approval of the application and the third year after full implementation of the project.

APPENDIX C: RWH/RWMC

DEBT FINANCING

Acquirors contemplating the incurrence of a financial obligation for full or partial funding must complete and submit this appendix.

There are no capital costs required to effectuate the proposed conversion, and therefore, no financial obligations for full or partial funding.

Name of Acquiror: _____

1. Describe the proposed debt by completing the following:

- a.) type of debt contemplated: _____
- b.) term (months or years): _____
- c.) principal amount borrowed: _____
- d.) probable interest rate: _____
- e.) points, discounts, origination fees: _____
- f.) likely security: _____
- g.) disposition of property (if a lease is revoked) _____
- h.) prepayment penalties or call features: _____
- i.) front-end costs (e.g. underwriting spread, feasibility study, legal and printing expense, points, etc.): _____
- j.) debt service reserve fund: _____

2. Compare this method of financing with at least two alternative methods including tax-exempt bond or notes. The comparison should be framed in terms of availability, interest rate, term, equity participation, front-end costs, security, prepayment provision and other relevant considerations.

3. If this proposal involves refinancing of existing debt, please indicate the original principal, the current balance, the interest rate, the years remaining on the debt and a justification for the refinancing contemplated.

4. Present evidence justifying the refinancing in Question 3. Such evidence should show quantitatively that the net present cost of refinancing is less than that of the existing debt, or it should show that this project cannot be financed without refinancing existing debt. What if there's another justification?

5. If lease financing for this proposal is contemplated, please compare the advantages and disadvantages of a lease versus the option of purchase. Please make the comparison using the following criteria: term of lease, annual lease payments, salvage value of equipment at lease termination, purchase options, value of insurance and purchase options contained in the lease, discounted cash flows under both lease and purchase arrangements, and the discount rate.

6. Present a debt service schedule for the chosen method of financing, which clearly indicates the total amount borrowed and the total amount repaid per year. Of the amount repaid per year, the total dollars applied to principal and total dollars applied to interest must be shown.

7. Please include herewith, an annual analysis of your facility's cash flow for the period between approval of the application and the third year after full implementation of the project.

APPENDIX C: CCHP

DEBT FINANCING

Acquirors contemplating the incurrence of a financial obligation for full or partial funding must complete and submit this appendix.

There are no capital costs required to effectuate the proposed conversion, and therefore, no financial obligations for full or partial funding.

Name of Acquiror: _____

1. Describe the proposed debt by completing the following:

- a.) type of debt contemplated: _____
- b.) term (months or years): _____
- c.) principal amount borrowed: _____
- d.) probable interest rate: _____
- e.) points, discounts, origination fees: _____
- f.) likely security: _____
- g.) disposition of property (if a lease is revoked) _____
- h.) prepayment penalties or call features: _____
- i.) front-end costs (e.g. underwriting spread, feasibility study, legal and printing expense, points, etc.): _____
- j.) debt service reserve fund: _____

2. Compare this method of financing with at least two alternative methods including tax-exempt bond or notes. The comparison should be framed in terms of availability, interest rate, term, equity participation, front-end costs, security, prepayment provision and other relevant considerations.

3. If this proposal involves refinancing of existing debt, please indicate the original principal, the current balance, the interest rate, the years remaining on the debt and a justification for the refinancing contemplated.

4. Present evidence justifying the refinancing in Question 3. Such evidence should show quantitatively that the net present cost of refinancing is less than that of the existing debt, or it should show that this project cannot be financed without refinancing existing debt. What if there's another justification?

5. If lease financing for this proposal is contemplated, please compare the advantages and disadvantages of a lease versus the option of purchase. Please make the comparison using the following criteria: term of lease, annual lease payments, salvage value of equipment at lease termination, purchase options, value of insurance and purchase options contained in the lease, discounted cash flows under both lease and purchase arrangements, and the discount rate.

6. Present a debt service schedule for the chosen method of financing, which clearly indicates the total amount borrowed and the total amount repaid per year. Of the amount repaid per year, the total dollars applied to principal and total dollars applied to interest must be shown.

7. Please include herewith, an annual analysis of your facility's cash flow for the period between approval of the application and the third year after full implementation of the project.

APPENDIX D

CHARITY CARE, BAD DEBT, AND MEDICAID SHORTFALL

Please complete a separate table for each of the transacting parties and/or their affiliates for the last five (5) years. Charity care and bad debt must be reported at costs (not charges). Please reproduce the table as needed.

Name	St. Joseph Health Services of Rhode Island (SJHSRI)
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FY 2008

Type of Healthcare Service	Charity Care* \$	Bad Debt \$	Total Uncompensated Care
	\$1,618,254	\$4,255,500	\$5,873,754
Total	\$1,618,254	\$4,255,500	\$5,873,754
Total as % of Patient Revenue	0.96%	2.53%	3.50%

FY 2007

Type of Healthcare Service	Charity Care \$	Bad Debt \$	Total Uncompensated Care
	\$1,869,630	\$2,950,512	\$4,820,142
Total	\$1,869,630	\$2,950,512	\$4,820,142
Total as % of Patient Revenue	1.12%	1.76%	2.88%

FY 2006

Type of Healthcare Service	Charity Care \$	Bad Debt \$	Total Uncompensated Care
	\$1,567,137	\$3,191,736	\$4,758,873
Total	\$1,567,137	\$3,191,736	\$4,758,873
Total as % of Patient Revenue	0.97%	1.97%	2.93%

*** Charity Care is reported at costs. Charity care charges are set forth in E007160.**

FY 2005

Type of Healthcare Service	Charity Care \$	Bad Debt \$	Total Uncompensated Care
	\$1,940,120	\$2,732,303	\$4,672,423
Total	\$1,940,120	\$2,732,303	\$4,672,423
Total as % of Patient Revenue	1.27%	1.79%	3.06%

FY 2004

Type of Healthcare Service	Charity Care \$	Bad Debt \$	Total Uncompensated Care
	\$1,217,146	\$3,813,120	\$5,030,266
Total	\$1,217,146	\$3,813,120	\$5,030,266
Total as % of Patient Revenue	0.84%	2.64%	3.48%

APPENDIX D

CHARITY CARE, BAD DEBT, AND MEDICAID SHORTFALL

Please complete a separate table for each of the transacting parties and/or their affiliates for the last five (5) years. Charity care and bad debt must be reported at costs (not charges). Please reproduce the table as needed.

Name	Roger Williams Hospital (RWH) and Elmhurst Extended Care
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FY 2008

Type of Healthcare Service	Charity Care \$	Bad Debt \$	Total Uncompensated Care
Roger Williams Hospital	\$2,775,259	\$4,349,942	\$7,125,201
Elmhurst Extended Care	-	\$87,761	\$87,761
Total	\$2,775,259	\$4,437,703	\$7,212,962
Total as % of Patient Revenue	1.72%	2.75%	4.47%

FY2007

Type of Healthcare Service	Charity Care \$	Bad Debt \$	Total Uncompensated Care
Roger Williams Hospital	\$2,865,447	\$3,956,596	\$6,822,042
Elmhurst Extended Care	-	\$82,498	\$82,498
Total	\$2,865,447	\$4,039,094	\$6,904,540
Total as % of Patient Revenue	1.86%	2.62%	4.47%

FY 2006

Type of Healthcare Service	Charity Care \$	Bad Debt \$	Total Uncompensated Care
Roger Williams Hospital	\$1,914,061	\$3,312,477	\$5,226,537
Elmhurst Extended Care	-	\$34,996	\$34,996
Total	\$1,914,061	\$3,347,473	\$5,261,533
Total as % of Patient Revenue	1.30%	2.27%	3.57%

FY 2005

Type of Healthcare Service	Charity Care \$	Bad Debt \$	Total Uncompensated Care
Roger Williams Hospital	\$1,995,938	\$2,526,685	\$4,522,623
Elmhurst Extended Care	-	-	-
Total	\$1,995,938	\$2,526,685	\$4,522,623
Total as % of Patient Revenue	1.43%	1.82%	3.25%

FY 2004

Type of Healthcare Service	Charity Care \$	Bad Debt \$	Total Uncompensated Care
Roger Williams Hospital	\$1,359,081	\$3,608,746	\$4,967,827
Elmhurst Extended Care	-	-	-
Total	\$1,359,081	\$3,608,746	\$4,967,827
Total as % of Patient Revenue	1.03%	2.73%	3.75%

APPENDIX D

CHARITY CARE, BAD DEBT, AND MEDICAID SHORTFALL

Please complete a separate table for each of the transacting parties and/or their affiliates for the last five (5) years. Charity care and bad debt must be reported at costs (not charges). Please reproduce the table as needed.

Name	Roger Williams Medical Center (RWMC)
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Not applicable.

APPENDIX D

CHARITY CARE, BAD DEBT, AND MEDICAID SHORTFALL

Please complete a separate table for each of the transacting parties and/or their affiliates for the last five (5) years. Charity care and bad debt must be reported at costs (not charges). Please reproduce the table as needed.

Name	CCHP Health Partners (CCHP)
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Not applicable.