



Rhode Island Department of Health
Hospital Conversions/Mergers Program
Three Capitol Hill, Room 410
Providence, RI 02908-5097
Phone: (401) 222-2788
www.health.state.ri.us/hospitals/about/mergers



Rhode Island Department of Attorney General
Office of Health Care Advocate
150 South Main Street
Providence, RI 02903-2907
Phone: 401-274-4400
www.riag.state.ri.us/civil/healthcare/conversions.php

INITIAL APPLICATION

(Pursuant to R.I. Gen. Laws § 23-17.14-6)

Revised May 2017

Instructions

Format:

Each and every hospital that is a Transacting Party or an affiliate of a Transacting Party, shall provide complete responses to each question. Two (2) copies of the Initial Application (one (1) copy shall be provided in an electronic format acceptable to the Department of Health and the Department of Attorney General and one (1) copy shall be in 3 ring binders with a spine label setting forth the volume number and the range of the sequential unique identifier and tab for each question) are to be submitted. For both the electronic formatted version and the hard copy of the Initial Application, each page submitted as part of the Initial Application shall be labeled with a sequential unique identifier, such as the Bates system, beginning with the first number matching the question. For example, the response to Question 13 would provide a unique identifier beginning with 13- followed by the page number. In addition, a complete index of pages of the Initial Application, setting forth the unique identifier for each page and a description of the document shall be provided. Responses to each question shall begin on a page separate from the prior response.

References to the other responses contained in the Initial Application shall be accepted. Attachments must be listed under an individual tab at the end of the application form. Applications should not include the instruction pages or appendices not applicable to the proposal. All Appendices must be completed.

All information submitted as part of the Initial Application shall be public except for information determined to be confidential pursuant to R.I. Gen. Laws §§ 23-17.14-6 (31) and 23-17.14-6 (c). If the Transacting Parties seek a determination by the Attorney General that any information submitted as part of the Initial Application should be deemed confidential and/or proprietary or otherwise required by law to be maintained as confidential, the Transacting Parties shall submit such

information, in a separate package clearly labeled “Request for Confidentiality.” For both the electronic version and the hard copy, the Transacting Parties shall submit the request(s) for a determination that the information is confidential including the legal citation and/or explanation for the reason that the information should be deemed confidential. One (1) copy of the information shall be clearly marked as confidential on the top and contain the redactions that the Transacting Parties seek to be deemed confidential by using a black marker to strike those words/section, and one (1) copy of the information shall be clearly marked as confidential on the top in an unredacted version of the identical document.

The Transacting Parties shall update and/or supplement responses up and until the time of closing of the proposed conversion.

Review for acceptability:

Within 30 calendar days after the receipt of the Initial Application, the Department of Health and the Department of Attorney General shall jointly advise the applicants, in writing, whether the application is complete. If the Initial Application is not complete, the Department of Health and the Department of Attorney General shall specify all additional information that the applicants are required to provide to complete the Initial Application. The applicants are required to submit the additional information within 30 working days. Within 10 working days of the receipt of the additional information, the Department of Health and the Department of Attorney General shall determine the acceptability of the additional information. If the additional information is not submitted by the applicants within 30 working days, or if the Department of Health and the Department of Attorney General determine the additional information submitted by the applicants is insufficient, the application will be rejected, without prejudice, to the applicants’ right to resubmit. A rejection will be accompanied by a detailed written explanation of the reasons for rejection. If the Department of Health and the Department of Attorney General determine the additional information requested is sufficient, the applicants will be notified, in writing, of the date acceptance of the application.

Timeline:

The Department of Attorney General and Department of Health shall each approve, approve with conditions directly related to the proposed conversion, or disapprove the application within 120 calendar days of the date of acceptance of the application.

Definitions:

Words and terms used in these instructions that are defined by the Hospital Conversions Act, R.I. Gen. Laws § 23-17.14-4, *et seq.*, shall have the meaning contained in the Hospital Conversions Act.

The term “Affiliate” means: an entity that directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with the Transacting Parties.

The term “document,” as used herein, includes, but is not limited to, the following items, whether created, printed or recorded or reproduced by any other mechanical or electronic process, or written

or produced by hand and/or any electronic device, and whether sent or received or neither; namely, contracts, agreements and understandings, communications, including intracompany communications, memoranda, statements, handwritten or other types of notes, correspondence, telegrams, notices, books, diaries, forecasts, financials, statistical statements, ledgers, journals, books or records of account, desk calendars and appointment books.

The term “Effective Date” shall mean the date upon which the proposed conversion will become effective.

The word “or” as used herein, means and/or. Whenever a request asks to “describe” a fact, event, or item, or any variation thereof, please provide a detailed description of the fact, event or item requested.

Whenever a request asks to “identify” a fact, event or item, or any variation thereof, designate the fact, event or item and provide such descriptive information so as to enable the fact, etc. to be ascertained.

When appropriate in this Initial Application, the singular form shall be interpreted as plural and vice versa, and the present tense includes the past tense and vice versa, and the neuter includes the masculine and feminine.

Reports, use of experts, costs:

The Department of Attorney General and Department of Health may engage experts or consultants including, but not limited to, actuaries, investment bankers, accountants, attorneys, or industry analysts. All copies of reports prepared by experts and consultants, and costs associated therewith, shall be made available to the Transacting Parties and to the public.¹ All costs incurred under this provision shall be the responsibility of one (1) or more of the Transacting Parties in an amount to be determined by the Attorney General or the Director, as he/she deems appropriate. No Initial Application for a conversion shall be considered complete unless an agreement has been executed with the Director and the Attorney General for the payment of costs, pursuant to R.I. Gen. Laws §§ 23-1-53 and 23-17.14, *et seq.*

¹ If any recitation in a report contains information that is confidential by law or Court order, it may be redacted.

HOSPITAL CONVERSION APPLICATION
Revised May 2017

Please provide the following information (please replicate as needed):

Name of Transacting Parties:
Date Application Submitted/Resubmitted:
Date of Agreement Execution with the Director for Payment of Costs*:
Date of Agreement Execution with the Attorney General for Payment of Costs*:

* Please provide copies of the responsive documents.

**All questions concerning this application should be directed to:
Office of Health Care Advocate (401) 274-4400**

CERTIFICATION

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

I hereby certify that the information contained in this application is complete, accurate and true.

Signed by the President or Chief Executive Officer

Entity

Subscribed and sworn to before me on this ____ day of _____ 20__.

Notary Public
My Commission Expires:

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APPENDIX A

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1. Please provide an executive summary of the proposed conversion which shall include a discussion of the date of implementation, purchase price, source of funds, debt, commitments for and development of new services and/or facilities, and reduction of existing services and/or facilities that are associated with the proposed conversion.

2. Please provide the following:

a. Contact information of President or CEO of each Transacting Party (Please replicate as needed):

Name:	Telephone:	
Address:	State:	Zip:
E-mail:	Fax:	

b. 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 2)(Please replicate as needed):

Name:	Telephone:	
Address:	State:	Zip:
E-Mail:	Fax:	

3. For each existing affiliate hospital of the Transacting Parties, please provide the following information (Please replicate as needed):

Name of Facility:	License #:	
Address:	State:	Zip:
Telephone:		
Type of Ownership: ___Individual ___Partnership ___Corporation ___LLC		
Tax Status: ___For-profit ___Non-Profit		
Please identify any changes that will occur in the information provided above as a result of the implementation of the conversion.		

4. Please provide the following:

a. With regard to the officers, members of the boards of directors, trustees, executives, and senior managers of each of the Transacting Parties and their Affiliates, please provide the following for the past 2 years: (a) name; (b) address; (c) phone number; (d) occupation; and (e) tenure.

- b. The (a) name; (b) address; (c) phone number; and (d) occupation of the proposed members of the board of directors, trustees, executives and senior managers after the conversion of the Transacting Parties and their Affiliates, identifying any additional members or removal of members.
 - c. A description of the governance structure of the New Hospital(s) after conversion, including a description of how members of any board of directors, trustees or similar type group will be chosen.
5. Please provide a list of all current committees, subcommittees, task forces, or similar entities of the board of directors or trustees. With regard to each please include:
- a. a short description of the purpose of each committee; and
 - b. the name, address, phone number, occupation, and tenure of each current committee member.
6. Please provide agenda and minutes of all meetings of the board of directors or trustees and any of its committees, subcommittees, task forces related to the conversion, or similar entities (excluding those focused on peer review and confidential medical matters) that occurred within the 2-year period (24 months) prior to submission of the application to the present in identifiable format. Please note, meeting packages may also be requested by the Attorney General to complete the Initial Application.
7. Please provide each of the following applicable documents and amendments for each of the Transacting Parties and affiliated hospital(s):
- a. Charter;
 - b. Certificate and Articles of Incorporation and By-laws;
 - c. Certificate of Partnership and Partnership Agreement;
 - d. Certificates or Articles of Organization and Operating Agreement;
 - e. Other organizational documents

If any of the above documents are proposed to be revised or modified in any way as a result of the proposed conversion, include the proposed revisions or modifications.

8. Please provide the name and mailing address of all licensed facilities in which the Transacting Parties maintain an ownership interest or controlling interest or operating authority.
9. Please provide the following:
- a. Organizational charts for the existing and post-conversion Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control; and
 - b. A detailed narrative that describes the existing and proposed post-conversion organizational structure for the Transacting Parties and each partner, affiliate, parent, subsidiary or related legal

entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control.

10. Please provide a description of criteria established by the board of directors of the Existing Hospital(s) for pursuing a proposed conversion with one or more health care providers.
11. Please provide a description of request(s) for proposals issued by the Existing Hospital(s) relating to pursuing a proposed conversion.
12. Please provide the names, addresses and phone numbers of professional consultants engaged by the Transacting Parties in connection with the proposed conversion.
13. Please provide a copy of any agreement outlining the scope of services to be rendered by any consultant or expert engaged by the Transacting Parties in connection with the proposed transaction, including the cost thereof.
14. Please provide copies of current conflict of interest forms from all incumbent or recently incumbent officers, members of the board of directors, trustees and senior managers, including the medical directors of the Transacting Parties, and experts and consultants engaged by the Transacting Parties in connection with the proposed transaction, 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).
15. Please provide conflict of interest statements, policies and procedures for each of the Transacting Parties.
16. Please provide the binding transaction documents, such as an asset purchase and/or transfer agreement, affiliation agreement and/or memorandum of understanding and all exhibits and schedules thereto (including any updates or supplements as they occur).
17. Please discuss whether the proposed transaction will require review by any relevant federal authority and, if so, please identify such review(s) and the status thereof.
18. Please identify all government (including local, state, or federal) permits, licenses, or other approvals necessary to implement the proposed conversion and the status thereof.
19. Please provide a list of pending, adjudicated, or threatened citations, violations, de-certifications, revocations, suspensions, terminations, or charges against the Transacting Parties and their Affiliates brought by any governmental agency or accrediting agency (including Medicaid/Medicare programs) within the past 3 years and the status or disposition of each.
20. Please provide a description of any current or impending litigation and/or investigations by foreign, federal, state or municipal boards or governments, and administrative agencies (including Medicaid/Medicare programs) against each Transacting Party and its Affiliates. For each claim, include the nature, an estimate of the amount, the status, and whether it is covered by any applicable insurance.

21. Please provide a list with detailed descriptions of all agreements executed or anticipated to be executed by any of the Transacting Parties in connection with the proposed conversion.
22. 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 R.I. Gen. 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.
23. Please provide copies of reports analyzing affiliations, mergers, or other similar transactions considered by any of the Transacting Parties during the past 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.
24. Please provide copies of IRS Form 990 for any Transacting Party and its Affiliates required by federal law to file such a form, for each of the 3 years prior to the submission of the application.
25. Please provide copies of audited income statements, balance sheets, other financial statements, and management and discussion letters for the past 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).
26. Please provide 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 3 fiscal years, by whomever prepared (internal or external experts or consultants, or in combination), including, but not limited to, analyses of financial strengths, weaknesses and/or viability.
27. Please provide a list of insurance contracts in full force and effect for each Transacting Party and their 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. 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.
28. 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.
29. 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.

30. Please provide the following information regarding all donor restricted gifts received by the Transacting Parties and their Affiliates and attach copies of any legal documents that created each gift:

Date of Gift	Name of Gift/ Instrument	Restriction(s)	Value of Gift at time of Gift	Current Value of Gift

31. Please provide copies of all documents related to:

- a. Identification of all charitable assets;
- b. Accounting of all charitable assets for the past 3 years;
- 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; and
- d. Please list all current donations that include naming privileges relating to the donation.

32. Please complete the following chart for the previous 3 fiscal years and year to date:

Year	Total Endowment	Restricted	Unrestricted
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Year to Date __/___/___	\$	\$	\$

33. Please provide the names of persons currently holding a position as an officer, director, board member, or senior manager who will or will not maintain any position with the New Hospital(s) post conversion 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.

34. Please provide a list with detailed descriptions 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, trustee, or senior manager. of the acquiree (or any related entity).

35. 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 3 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.

36. Please provide a copy of proposed contracts or description of proposed arrangements with senior managers, board members, officers, or directors of the Existing Hospital(s) for severance, consulting services or covenants not to compete following completion of the proposed conversion.
37. Please provide an itemization of all loans outstanding and their current balances, given, and/or forgiven in the last 3 years to any executive, board member, employee or consultant of the Transacting Parties and/or their Affiliates, including the terms of such loan.
38. Please provide all documents related to the resignations of any directors, board members, senior managers and officers of each of the Transacting Parties and/or their Affiliates within the prior year.
39. Please provide a detailed description of the real estate issues including title reports for land owned and lease agreements concerning the proposed conversion.
40. 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.
41. 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 the plans for the disposition of each such debt if the proposed conversion is approved.
42. 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.
43. 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.
44. Please provide a copy of the Transacting Parties' affiliated hospital's Credentialing Committee Guidelines, Policies and/or Procedures, including any contemplated changes thereto. Please describe any arrangements for cross-privileging of medical staff affiliated with either of the Transacting Parties and their Affiliates before and after the proposed conversion.
45. Please provide the following information:
 - a. A list of the amounts of uncompensated care provided over the past 3 years by each Existing Hospital and a description as to how that amount was calculated;
 - b. A description of charity care and uncompensated care provided by the Existing Hospital(s) for the previous 3-year period to the present, including a dollar amount and a description of services provided to patients;
 - c. A description of bad debt incurred by the Existing Hospital(s) for the previous 3 years for which payment was anticipated but not received; and
 - d. Identify the reasons for any discrepancies between responses to sections (a) through (c) above, if any.

46. Please provide the following:
- a. A description of the plan as to how the Transacting Parties and their Affiliates will provide community benefit and charity care during the first 3 years of operation after the proposed transaction is completed.
 - b. A description of how the Transacting Parties and their Affiliates will monitor and value charity care services and community benefit after the proposed transaction is completed.
47. Please provide a list of all agreements between third party payors and the Existing Hospital(s).
48. Please provide patient statistics for the past 3 years and patient projections for the next 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 entities.
49. Please provide a board approved Integration Plan for the proposed conversion (if any).
50. Please identify (using Bates stamp coordinates) where in the minutes previously provided in response to Question 6 above, there is discussion of all studies, reports, analyses, and plans regarding: (a) integration or coordination of clinical programs and related administrative functions post conversion; and (b) 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.
51. Please provide all summary reports concerning patient satisfaction surveys for the Transacting Parties and/or its Affiliates for the last 3 years.
52. Please describe how the Transacting Parties will make investments to support primary care within the geographical area for which the facility or facilities provide(s) services.
53. Please provide the following:
- a. 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(s) 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 3 years at the new hospital(s).
 - b. A list including detailed descriptions of all union contracts.
54. Please provide a detailed description of how the following will be addressed within the Rhode Island service area of the Transacting Parties:
- a. Social and environmental determinants of health
 - b. Known health disparities and potential new health disparities
 - c. Health equity as measured by the *Statewide Health Equity Indicators*, once established
 - d. Improvements of integrated population health outcomes
55. If the acquiror is a for profit corporation that has previously acquired a not for profit hospital under the provisions of the Hospital Conversion Act, 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 the Hospital Conversion Act and made a part of an approval for the conversion pursuant to R.I. Gen. Law §§ 23-17.14-7 or 23-17.14-8.

APPENDIX A (CONT.)

2. Please complete the following table for the Existing and New Hospital for each year indicated.

	Past Three Fiscal Years			Budgeted Current Fiscal Year	Projected Three Fiscal Years (if approved)		
	FY:	FY:	FY:	FY:	FY:	FY:	FY:
REVENUES							
Net Patient Revenue							
Other: (_____)							
Total Revenue							
EXPENSES							
Payroll w/Fringes							
Bad Debt							
Supplies							
Office Expenses							
Utilities							
Insurance							
Interest							
Depreciation/Amortization							
Leasehold Expenses							
Other: (_____)							
Other: (_____)							
Total Expenses							
OPERATING PROFIT/LOSS							
# of Admissions							
# of ED Visits							

APPENDIX A (CONT.)

3. Please complete the table below for the Existing and New Hospital for each year indicated.

	Past Three Fiscal Years (Actual)						Budgeted Current Year		Projected First Three Operating Years (if approved)					
	FY:		FY:		FY:		FY:		FY:		FY:		FY:	
PAYOR SOURCE:	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Medicare														
Medicaid														
Blue Cross														
Commercial														
HMO's														
Self Pay														
Other:														
TOTAL														
Charity Care*														

*Charity Care does not include bad debt, and is based on costs (not charges).

4. Please complete the table below for the New Hospital's substantial capital needs.

Capital Needs	Source of Funding for Capital Needs	Cost of Satisfying Capital Needs	Date of Projected Completion

APPENDIX B

Please provide the total cost necessary to implement this proposal and allocate this amount to the sources of funds categories listed below:

TOTAL PROJECT COST: \$ _____ *

<u>SOURCE OF FUNDS</u>	<u>AMOUNT</u>
a. Funded depreciation	\$ _____
b. Other restricted funds (specify)	_____
c. Unrestricted funds (specify)	_____
d. Owner's equity	_____
e. Cash (If different from owner's equity)	_____
f. Unrestricted donations or gifts	_____
g. Restricted donations or gifts	_____
h. Other non-debt funds (specify)	_____
i. Sub-Total Equity Funds	_____
j. Subsidized loan (e.g. FHA etc.)	_____
k. Tax-exempt bonds (specify)	_____
l. Conventional mortgage	_____
m. Lease or rental	_____
n. Other debt funds	_____
o. Sub-Total Debt Funds	_____
p. Total Source of Funds	_____

* should equal the response for line "p"

** Equity means non-debt funds contributed towards the capital cost related to a conversion of a hospital which funds are free and clear of any repayment or liens against the assets of the proposed owner and/or licensee and that result in a like reduction in the portion of the capital cost that is required to be financed or mortgaged.

*** If debt financing is indicated, please complete Appendix C.

APPENDIX C

Debt Financing

Name of Acquiror: _____

1. Describe the proposed debt by completing the following:
 - a. type of debt contemplated;
 - b. term (month 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);
 - j. feasibility study, legal and printing expense;
 - k. points, etc.; and
 - l. debt service reserve fund.

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

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

4. Please provide an annual cash flow statement for the period between approval of the application and through the third full FY year after implementation of the proposed conversion.

APPENDIX D

CHANGE, ELIMINATION OR REDUCTION IN SERVICES

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

1. A list of all medical services, departments, clinical services, and administrative services;
2. A description of all departments, clinical, social, or other services or medical services (including emergency and primary care) that will be changed, eliminated, or significantly reduced at the New Hospital(s);
3. The proposed change(s) in hours of operation, if any;
4. The proposed change(s) in staffing, if any;
5. The documented length of time the services to be changed, reduced or eliminated have been available at the Existing Hospital(s);
6. The number of patients utilizing those services that are to be changed, reduced or eliminated annually during the most recent 3 years;
7. Aggregate data delineating the insurance status of the individuals served by the Existing Hospital(s) during the most recent 3 years;
8. Data describing the insurance status of those individuals utilizing those services that are to be changed, reduced or eliminated annually during the most recent 3 years;
9. The geographical area for which the Existing Hospital(s) provides services; and
10. Identification and description, including supporting data and statistical analyses, of the impact of the proposed change, elimination or reduction on:
 - a. 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;
 - b. the delivery of such services on the affected community in the cities and towns whose residents are regularly served by the Existing Hospital(s) (the “affected” cities and towns);
 - c. other licensed hospitals or health care providers in the affected community or cities and towns; and
 - d. other licensed hospitals or health care providers in the state.

APPENDIX E

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). If yes, please provide details.

1. If the proposed conversion is approved, 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 Title XVIII, XIX of the Social Security Act?

Yes___ No___

2. If the proposed conversion is approved, will there be any directors, officers, agents, or managers of the acquiror or acquiree who have ever been convicted of a felony offense or any other offenses related to their involvement in such programs established by Titles XVIII, XIX of the Social Security Act?

Yes___ No___

3. 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___

4. If the proposed conversion is approved, 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___ (Note, if the applicant is a subsidiary of a “parent” corporation, the response is “Yes”)

5. If the proposed conversion is approved, will there be individuals (or organizations) that have an ownership interest (equal to at least 5 percent of any facility’s assets) in a mortgage or other obligation secured by any facility?

Yes___ No___

6. If the proposed conversion is approved, 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___

7. If the proposed conversion is approved, 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, 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___

8. If the proposed conversion is approved, 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, that have been convicted of a felony or any crime arising out of the delivery of any health care item or service?

Yes___ No___