

Change in Effective Control Applications

Version 11.23.2012

**I Applicant: Care New England Health System
 Facility: The Memorial Hospital d/b/a
 Memorial Hospital of Rhode Island**

**II Applicant: Care New England Health System
 Facility: Memorial Hospital Home Care**

- EXHIBITS:**
- A - Legal Transfer Documents**
 - B - Organization Charts**
 - C - Charity Care Record**
 - D- Charity Care Policies, Procedures and Applications**
 - E - Licensure or Certification Citations**
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 - I - Evidence of Site Control**
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Volume I of II



Change in Effective Control Application

Version 11.23.2012

Name of Applicant: Care New England Health System	
Name of Facility: The Memorial Hospital d/b/a Memorial Hospital of Rhode Island	
Date Application Submitted:	
Original Application Submitted:	February 11, 2013
Application Resubmitted:	March 22 , 2013
Amount of Fee: \$20,000.00	

All questions concerning this application should be directed to the Office of Health Systems Development at (401) 222-2788

Please have the appropriate individual attest to the following:

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

Dennis D. Kiefe 3/15/13
signed and dated by the President or Chief Executive Officer

Francis L. Giatas 3/15/13
signed and dated by Notary Public

My Commission Expires
9/2/13
Francis L. Giatas

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1. Please provide an executive summary describing the nature and scope of the proposal. Additionally, please include the following: (1) identification of all parties, (2) description of the applicant and its licensure track record, (3) the type of transaction proposed including description of the transaction and relevant costs, (4) summary of all transfer documents, and (5) summary of the organizational structure of the applicant and its affiliates.

(1) Care New England Health System, a Rhode Island non-profit corporation (“CNE”), operates a health care system serving Rhode Island and is the sole member of Butler Hospital (“Butler”), Kent County Memorial Hospital (“Kent”), Women & Infants Corporation, which is the sole member of Women & Infants Hospital of Rhode Island (“WIH”), and Kent County Visiting Nurses Association d/b/a VNA of Care New England (“VNA of Care New England”). CNE is the ultimate corporate parent of certain other associated entities that provide and support health care and health care-related services.

Southeastern Healthcare System, Inc., a Rhode Island non-profit corporation (“MHRI Parent”), is the parent organization of a health care system serving Rhode Island and Massachusetts, comprising a number of directly or indirectly owned or controlled affiliates and subsidiaries, including The Memorial Hospital d/b/a Memorial Hospital of Rhode Island, a Rhode Island non-profit corporation (“MHRI”). MHRI has been determined to be a financially distressed hospital by the Director of Health. MHRI Parent is the indirect corporate parent of certain other associated entities that provide and support health care and health care-related services.

(2) Care New England Health System was incorporated as “Enterprise Health System” in Rhode Island on November 7, 1995. It is tax-exempt under section 501(c)(3) of the Internal Revenue Code. The name was officially changed to “Care New England Health System” on January 29, 1996, and in February 1996, Butler, Kent and WIH became the founding members. In June 1999, Kent County Visiting Nurse Association became a member of CNE, and later that year began operating under the name “VNA of Care New England.” CNE has more than 5,000 FTEs and 730 active medical staff members. In total, CNE hospitals have 643 licensed beds and 80 NICU bassinets. Annually, CNE hospitals discharge approximately 42,000 patients, perform approximately 23,000 surgical procedures, and deliver over 9,000 babies. CNE hospitals have more than 88,000 emergency room visits and the VNA provides over 60,000 skilled nursing visits each year. Additionally, CNE is dedicated to the advancement of medical education and research. Butler serves as the principal teaching affiliate for psychiatry and human behavior for The Warren Alpert Medical School of Brown University, WIH is Brown’s primary affiliate in obstetrics, gynecology, and newborn pediatrics, and Kent is affiliated with the University of New England College of Osteopathic Medicine. CNE has approximately \$800 million in annual revenue and \$750 million in assets.

Each of Butler, Kent, and WIH are hospitals licensed in compliance with Rhode Island law and regulations, and each holds a wide range of accreditations, including, without limitation, from the Joint Commission. The licensed CNE facilities are in material compliance with state licensure requirements and have established track records of such compliance.

(3) The change in effective control (the “Affiliation”) will be implemented by CNE becoming the sole corporate member of MHRI Parent and MHRI Parent and MHRI causing their respective governing bodies to be comprised of the individuals who from time to time serve as members of the CNE Board of Directors. MHRI will nominate three individuals to join the CNE Board of Directors and the president of MHRI’s medical staff will become an ex-officio member of the CNE Board of Directors. These arrangements mirror the existing governance structures of Butler, Kent and WIH. After the Affiliation is implemented MHRI will remain a separately licensed hospital with access to the same centralized corporate services as CNE provides to the other hospitals in the CNE system.

The Affiliation does not involve the exchange of cash or similar financial consideration. After the Closing, CNE will either (i) call, discharge, or refinance MHRI’s bond debt (approximately \$11 million as of September 2012), or (ii) work with MHRI to form the most effective credit group structure, as determined by CNE. CNE will fund any operating shortfall of MHRI or its affiliates through September 30, 2016, from CNE operating funds or other assets should CNE determine that such funding is necessary. CNE estimates that the potential shortfall may be approximately \$27 million to \$36 million. CNE anticipates that, following September 30, 2016, it will support MHRI financially in the same manner that CNE supports its other hospital members.

(4) The Affiliation will be accomplished pursuant to an Affiliation Agreement dated January 2, 2013 by and among CNE, MHRI Parent, and MHRI (the “Affiliation Agreement”). The Affiliation Agreement provides that the parties will take the following actions: (i) MHRI Parent will amend its organizational documents to name CNE as its sole corporate member; (ii) MHRI Parent will cause MHRI and MHRI’s affiliates to amend their organizational documents to the extent necessary to consummate the Affiliation and ensure that CNE will have the same direct and indirect reserved powers over MHRI’s affiliates as CNE has with respect to CNE’s affiliates; (iii) CNE will amend its organizational documents to increase the size of CNE’s Board of Directors to accommodate the additional directors discussed above; (iv) MHRI Parent will cause its Board of Trustees to be comprised of the individuals who from time to time serve as members of the CNE Board of Directors; and (v) MHRI will cause its Board of Trustees to be comprised of the individuals who from time to time serve as the members of the CNE Board.

(5) CNE is the sole corporate member of VNA of Care New England, Butler, Kent, and Women & Infants Corporation, which is the sole corporate member of WIH.

2. Name and address of the applicant:

Name:	Care New England Health System	Telephone:	(401) 453-7900
Address:	45 Willard Avenue, Providence, RI	Zip Code:	02905

3. Name and address of facility (if different from applicant):

Name:	The Memorial Hospital d/b/a Memorial Hospital of Rhode Island	Telephone:	(401) 729-2000
Address:	111 Brewster Street, Pawtucket, RI	Zip Code:	02860

4. Information of the President or Chief Executive Officer of the applicant:

Name:	Dennis D. Keefe, President & CEO	Telephone:	(401) 453-7900
Address:	45 Willard Avenue, Providence, RI	Zip Code:	02905
E-Mail:	dkeefe@carene.org	Fax:	(401) 453-7686

5. Information for the person to contact regarding this proposal:

Name:	Michael G. Tauber	Telephone:	(401) 457-5238
Address:	Hinckley, Allen & Snyder LLP 50 Kennedy Plaza, Suite 1500, Providence RI	Zip Code:	02903
E-Mail:	mtauber@haslaw.com	Fax:	(401) 277-9600

6. A. EXISTING ENTITY:

License category:	Hospital		
Name of Facility:	The Memorial Hospital d/b/a Memorial Hospital of Rhode Island	License #:	HOS00128
Address:	111 Brewster Street, Pawtucket, RI	Telephone:	(401) 729-2000
Type of Ownership:	___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.		
Tax Status:	___ For Profit <u>X</u> Non-Profit		

B. PROPOSED ENTITY:

License category:	Hospital		
Name of Facility:	The Memorial Hospital d/b/a Memorial Hospital of Rhode Island	License #:	HOS00128
Address:	111 Brewster Street, Pawtucket, RI	Telephone:	(401) 729-2000
Type of Ownership:	___ Individual ___ Partnership <u>X</u> Corporation ___ Limited Liability Co.		
Tax Status:	___ For Profit <u>X</u> Non-Profit		

7. Does this proposal involve a nursing facility? Yes No

- If response to Question 7 is 'Yes', please complete Appendix C.

8. Will the facility be operated under management agreement with an outside party? Yes No

- If response to Question 8 is "Yes", please provide copies of that agreement.

9. Will the proposal involve the facility/ies providing healthcare services under contract with an outside party? Yes No

- If response to Question 9 is "Yes", please identify and describe those services to be contracted out.

The facility may contract with outside parties for some health care services, such as rehabilitation services, diagnostic imaging, and blood services.

10. Estimate the date (month and year) for the proposed transfer of ownership, if approved:

July 1, 2013

11. Please provide a concise description of the services currently offered by the licensed entity and identify any services that will be added, terminated, expanded, or reduced and state the reasons therefore:

MHRI is a community-based, acute care teaching and research hospital that provides an array of medical, surgical, laboratory, rehabilitative, primary, emergency, and ambulatory care services and serves the Blackstone Valley of Rhode Island and southeastern Massachusetts. The hospital is a teaching affiliate of The Warren Alpert Medical School of Brown University and the chief site for the medical school's primary care academic program, housed in MHRI's Center for Primary Care. MHRI is licensed for 294 beds, 130 of which are currently staffed.

CNE and MHRI are studying how best to configure their services in the proposed combined system. Currently, it is not anticipated that any services will be reduced or terminated on a system-wide basis, so that all services currently offered at MHRI will continue to be offered, either at MHRI or elsewhere in the CNE system, in a manner accessible to those in the MHRI service area. CNE and MHRI may consolidate certain services as part of their integration, but they will only do so when it makes clinical and operational sense to do so. Moreover, any consolidation of services that CNE and MHRI undertake will be done with an eye towards freeing resources - clinical, managerial, administrative, and physical - to offer new or enhanced services to the community that will improve quality and/or access to care.

MHRI currently has two licenses: a hospital license and a home nursing care provider license. Although the planning for post-Affiliation service provisions is ongoing, MHRI will retain its hospital license post-Affiliation. CNE and MHRI anticipate some additions to hospital services at MHRI, including bolstering MHRI's primary care services in its internal medicine and family medicine programs. MHRI will terminate its home nursing care license post-Affiliation, at which point those services will be provided by VNA of Care New England. In addition, CNE and MHRI have identified some areas of service that likely will be relocated from MHRI and, post-Affiliation, be provided by other existing licensed entities in the CNE system, including cardiac catheterization and certain imaging related procedures.

CNE and MHRI fully expect that their ongoing examination of the combined system will lead to additional opportunities for integration, including potential changes in services provided. Any such opportunities will be analyzed by CNE and MHRI with a view towards enhancing current, and developing new, programs to increasing synergies among the system's hospitals which allow for improved services and access to care while also moderating cost trends.

12. Please identify the long-term plans of the applicant with respect to the health care programs and health care services to be provided at the facility:

Following the Affiliation, MHRI will continue as a full-service hospital in its service area. The Affiliation is intended to add MHRI's strengths to the CNE system, and to use CNE resources – clinical, physical, and administrative – to address challenges that MHRI has faced in continuing to provide full-service, high quality patient care services as a stand-alone community hospital. Among CNE's key considerations in pursuing the Affiliation are: to bring together strong multi-specialty medical providers with MHRI's leading family and internal medicine practices, to grow and strengthen academic and research programs, and to enhance the affiliation with Brown University at MHRI and across the CNE system. CNE anticipates that following the Affiliation, MHRI would be CNE's primary academic teaching base for Brown University with respect to family medicine and internal medicine. More broadly, CNE plans to integrate MHRI into the combined CNE system to enhance the integrated delivery system provided by CNE, and permit MHRI and all members of the CNE system to be able to coordinate patient care across a full continuum of health care providers, providing a foundation for responding to the promises and challenges of the federal health reform legislation.

13. Does the entity seeking licensure plan to participate in Medicare or Medicaid (Titles XVIII or XIX of the Social Security Act)?

MEDICARE: Yes X No ___

MEDICAID: Yes X No ___

- If response to Question 13 for either Medicare and/or Medicaid is 'No', please explain.

14. Please provide all appropriate signed legal transfer documents (i.e. purchase and sale agreement, affiliation agreement); **NOTE:** these documents must cause both parties to be legally bound.

(See Exhibit A)

15. Please provide organization charts of both agencies (existing entity and the applicant) for prior to transfer and post transfer, identifying all "parent" legal entities with direct or indirect ownership in or control, all "sister" legal entities also owned or controlled by the parent(s), and all "subsidiary" legal entities.

(See Exhibit B)

16. If the proposed owner, operator or director owned, operated or directed a health care facility (both within and outside Rhode Island) within the past five years, please demonstrate the record of that person(s) with respect to access of traditionally underserved populations to its health care facilities.

CNE and its hospitals take pride in their long and distinguished history of service to Rhode Island. CNE has continually worked to assess community needs and respond accordingly with needed programs and interventions to improve access for traditionally underserved populations. Indeed, the CNE hospitals are all currently actively involved in developing formal community health needs assessments, working through the Hospital Association of Rhode Island, Holleran and Healthy Communities Initiative. These assessments should be completed by September 30, 2013.

Not only do all CNE hospitals participate in Medicare and Medicaid – the usual measure of access to traditionally underserved populations – but because of its unique combination of specialty services at WIH and Butler, CNE provides the greatest care access portal to women and to those suffering from serious behavioral disorders within the state of Rhode Island.

In addition, CNE's hospitals facilitate access to those who are not adequately insured through its charity care programs. These programs accounted for more than \$14.5 million in services (at cost) to the populations served in FY 2012. Please see Exhibit C for the charity care record of each of CNE's hospitals and VNA of Care New England.

17. Please identify the proposed immediate and long-term plans of the applicant to ensure adequate and appropriate access to the program and health care services to be provided by the health care facility/ies to traditionally underserved populations.

Caring for the indigent, uninsured and/or under-insured has been, and will continue to be a core part of the mission of CNE and its members. Many of the patients who rely on MHRI for emergency and primary care reside in areas of Rhode Island that are predominantly poor and traditionally underserved, and have been federally designated as such, including Pawtucket and Central Falls. One of the goals of the Affiliation is to ensure that those individuals continue to have access to high quality patient care services through a community hospital like MHRI. Indeed, the poor and medically underserved will be major beneficiaries of the enhanced services provided by MHRI post-Affiliation. MHRI and all the CNE facilities

participate in Medicare and Medicaid and they will continue to do so after the Affiliation. Moreover, after the Affiliation, MHRI will continue to provide charity care in accordance with its policies and state law. After the Affiliation is consummated, CNE and MHRI will continue their long-standing practice of providing special outreach programs and services to traditionally underserved populations, such as the Brown Family Medicine Residency Program, which is dedicated to educating the next generation of family physicians in order to provide high quality healthcare for all, especially for the most vulnerable and underserved.

18. Please provide a copy of charity care policies and procedures and charity care application form.

Attached hereto as Exhibit D, please find CNE's Charity Care policy and application form and MHRI's current Community Free Service and Discount for Self Pay Patient policies, as well as MHRI's form of Application for Financial Aid.

CNE plans to adapt its policy and application form for implementation at MHRI following the affiliation.

19. After the proposed change in effective control, will the facility/ies provide medically necessary services to patients without discrimination, including the patients' ability to pay for services? Yes X No .

- If response to Question 23 is 'No', please explain.

20. Please identify any state or federal licensure or certification citations and/or enforcement actions taken against the applicant and their affiliates within the past 3 years and the status or disposition of each.

(See Exhibit E)

21. Please provide a list of pending or adjudicated citations, violations or charges against the applicant and their affiliates brought by any governmental agency or accrediting agency within the past 3 years and the status or disposition of each.

(See Exhibit F)

22. Please provide a list of any investigations by federal, state or municipal agencies against the applicant and their affiliates within the past 3 years and the status or disposition of each.

(See Exhibit G)

23. Please identify any planned actions of the applicant to reduce, limit, or contain health care costs and improve the efficiency with which health care services are delivered to the citizens of this state.

Following the Affiliation, CNE plans to integrate MHRI into the combined CNE system to bolster an integrated delivery system in which patient care is coordinated across a full continuum of health care providers. CNE anticipates building on the services provided at MHRI and the CNE hospitals with a view towards enhancing current, and developing new,

programs to increasing synergies among the hospitals which allow for improved services while also moderating cost trends. By combining clinical programs and sharing best practices and clinical protocols across the system, CNE's goal is to reduce variations in treatment and improve the efficiency of care delivered at all of its locations.

CNE and MHRI are studying how best to configure their services in the new combined system. It is anticipated that there will be consolidation at a single site within the combined CNE system of some services that are currently provided at both a CNE hospital and MHRI. CNE and MHRI fully expect that their ongoing examination of the combined system will lead to additional opportunities for integration. CNE and MHRI have identified some areas of service that will be relocated from MHRI and, post-Affiliation, be provided by other existing licensed entities in the CNE system, including cardiac catheterization, certain imaging related procedures, and home nursing services.

CNE also intends to incorporate MHRI into CNE's electronic medical record system, permitting prompt and efficient access to medical information pertinent to a patient's care. Timely electronic access to medical history, test results, and other important treatment information will help avoid unnecessary duplication of tests and other diagnostic procedures and the attendant costs, risks, and delays. A robust electronic medical records system also allows for more efficient tracking of follow-up care, typically leading to lower cost treatment and avoiding unnecessary hospitalizations and re-hospitalizations.

On the administrative side, CNE will provide MHRI with the same centralized corporate services (such as legal, compliance, risk management, human resources, and managed care contracting services) that CNE provides to the other hospitals within the CNE system, thereby reducing duplicative administrative costs.

24. Please provide a copy of the Quality Assurance Policies (for the services) and a detailed explanation of how quality assurance for patient services will be implemented at the facility/ies by the applicant.

Attached hereto as Exhibit H, please see MHRI's Performance Improvement and Professional Practice Evaluation policies. Subsequent to the transaction, CNE will modify the attached policies as required to meet MHRI's needs and state regulatory requirements.

25. Please provide a detailed description about the amount and source of the equity and debt commitment for this transaction. (**NOTE:** If debt is contemplated as part of the financing, please complete Appendix E). Additionally, please demonstrate the following:

- A. The immediate and long-term financial feasibility of the proposed financing plan;
- B. The relative availability of funds for capital and operating needs; and
- C. The applicant's financial capability.

No cash or similar financial consideration will be paid at the Closing of the Affiliation. After the Closing, CNE will either (i) call, discharge, or refinance MHRI's bond debt (approximately \$11 million as of September 2012), or (ii) work with MHRI to form the most effective credit group structure, as determined by CNE. CNE will fund any operating

shortfall of MHRI or its affiliates through September 30, 2016, from CNE operating funds or other assets should CNE determine that such funding is necessary. CNE estimates that the potential shortfall may be approximately \$27 million to \$36 million. CNE anticipates that, following September 30, 2016, it will support MHRI financially in the same manner that CNE supports its other hospital members.

A. It is important to note that MHRI's "Unrestricted Net Deficiency" as indicated in its 12/31/12 unaudited financial statements is \$27,100,946. This is calculated by taking its total assets and subtracting all liabilities (including those to be paid out over long terms) and backing out the value of any assets that are being held for either temporary or permanent restrictions (for example, restricted grants or permanent restricted endowments). The comparable figure for CNE at 12/31/12 (unaudited) was a positive \$258.3 million. Once the Affiliation is complete, CNE expects to consolidate MHRI's financials into CNE's, which will have an impact on CNE's "net asset" position, but only by slightly more than 10%.

MHRI's negative net asset position can be entirely attributed to the dramatically underfunded pension plan, with that liability alone accounting for over \$60 million. It is important to note that while this liability will have to be addressed over a period of years, it is not something that requires substantial funding in the short term from a CNE perspective (i.e., CNE will not be making a \$27 million payment at closing).

Similarly, MHRI is currently carrying about \$11 million in RIHEBC tax-exempt bonds. CNE is working with advisors currently to determine how CNE can best structure its overall shared debt (CNE plus MHRI). CNE has a total of about \$115 million in debt, and very good ability to cover its existing debt covenants. Adding \$11 million of MHRI debt to CNE will not materially affect CNE's debt profile. In fact, MHRI's debt was very conservatively structured with an aggressive payment schedule, so one potential option would be to simply extend the maturity of the bonds, which would lower the overall current debt service while still being beneficial from a present value of funds perspective given the favorable interest rate markets of today. However, CNE is continuing its dialogue with the investment banking community to address in a more holistic way CNE's longer term debt strategy and structure.

While the \$27 million negative "net assets" at MHRI is important, this transaction is more dependent on CNE and MHRI working together to improve MHRI's operating performance and reverse the operating losses MHRI has experienced over the last three fiscal years. Taking advantage of the combined larger scale is most important – eliminating duplication of systems and functions by consolidating information technology platforms, departments, and leadership positions across the combined system. Time is of the essence to do this most effectively; every month that passes, MHRI continues to lose money, and the monetary cushion to work through the required transition is lost.

CNE is committed to typically achieving an operating margin of not less than 1.5%. CNE will strive to improve upon that because CNE understands that in order to ensure long-term access to capital, CNE must strengthen its balance sheet via strong operating performance. Nevertheless, CNE does not expect its unrestricted net assets (when combined with MHRI)

to fall below \$200,000,000 under any set of anticipated circumstances between the present date and September 30, 2016. In that context, the Affiliation is financially feasible.

B. CNE currently is evaluated as an “investment grade credit” in the financial community. CNE has routinely been able to access capital to support various projects, having done minor borrowing in each of the last 3 years (2012 - \$10 million, Bank of America, RIHEBC capital lease; 2011 - \$16 million, JPMorgan, RIHEBC bonds; 2010 - \$12 million, JPMorgan, RIHEBC bonds). Even with the weak position of MHRI, CNE advisors are confident that CNE can easily absorb MHRI’s existing debt and also go to the market to borrow new monies if CNE determines it prudent to do so, to take advantage of the historically low interest rates currently prevailing in the market. It is important to note, however, that CNE borrowing is not necessary to finance the cost of the Affiliation with MHRI or to absorb MHRI’s obligations.

C. CNE has sufficient financial capability to undertake the Affiliation. For fiscal years 2010, 2011, and 2012, CNE had operating gains of \$18.8, \$12.2 and \$10.8 (millions), respectively. Regarding the fiscal year ending 9/30/13, CNE has budgeted an operating gain of \$12.8 million (1.5% margin). Through January 2013, unaudited results were a loss of \$2.8 million, though favorable to budget by nearly \$1 million. (It is not unusual for the first quarter to show a loss for a variety of structural reasons which even out over the course of the year; for example, last year the first quarter showed a loss of \$2.3 million and CNE finished the year with an operating gain of \$10.8 million.) Being able to project results in hospitals is extremely difficult, as so much relies on activity levels and payor mix. If revenues come under budget, hospitals do their best to reduce costs accordingly; however, the ability to reduce costs is extremely challenging given the level of fixed costs and reliance on employed, scheduled staff. CNE remains optimistic about its ability to achieve budget targets.

In terms of CNE’s cash position, as of 9/30/12, CNE had 70 days cash on hand, up from 62 the prior year and materially unchanged from the 73 the year before that, while maintaining CNE’s debt to capitalization ratio at a relatively low .31. The System’s Board-designated/endowment funds are managed under the oversight of a CNE Board Investment Committee. One, three, and five year returns as of 12/31/12 have been 13.7%, 8.3% and 3.5% versus a benchmark of comparable funds of 12.5%, 7.8% and 2.4%, respectively.

26. Please provide legally binding evidence of site control (e.g., deed, lease, option, etc.) sufficient to enable the applicant to have use and possession of the subject property, if applicable.

(See Exhibit I)

27. If the facility is not-for-profit and/or affiliated with a not-for-profit, please provide written approval from the Rhode Island Department of Attorney General of the proposal.

An Expedited Review Hospital Conversion Initial Application is being submitted to the Rhode Island Department of Attorney General concurrently with this Application.

28. Please provide each of the following documents applicable to the applicant's legal status:

- Certificate and Articles of Incorporation and By-Laws (for corporations)
- Certificate of Partnership and Partnership Agreement (for partnerships)
- Certificate of Organization and Operating Agreement (for limited liability corporations)

(See Exhibit J)

- If any of the above documents are proposed to be revised or modified in any way as a result of the implementation of the proposed change in effective control, please provide the present documents and the proposed documents and **clearly identify** the revisions and modifications.

(See Exhibit K)

29. If the applicant and/or one of its parent companies (or ultimate parent) is a publicly traded corporation, please provide copies of its most recent SEC 10K filing.

N/A

30. Please provide audited financial statements (which should include an income statement, balance sheet and cash flow statement) for the last three years for the applicant, and/or its ultimate parent, and for the existing facility.

MHRI Parent's audited financial statements for fiscal year 2012 will be available by April 15, 2014. See Exhibit L for MHRI Parent's unaudited financial statements for fiscal year 2012 and for the first quarter of fiscal 2013.

31. All applicants must complete Appendix A, D, F and G.

APPENDIX A

1. Please identify the total number of FTEs (full time equivalents) and the associated payroll expense (with fringe benefits) at the existing hospital for the last full FY year, for the current budget year and as projected at the new hospital in the first three years after the implementation of the proposal.

PERSONNEL (by major categories)	Past Three Fiscal Years						Budgeted Current Year [1]		Projected First Three Operating Years (if approved) [2]					
	FY: 2010		FY: 2011		FY: 2012		FY: 2013		Year 1		Year 2		Year 3	
	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringes
Medical Director [3]	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	\$0	0	\$0
Physicians	86	\$13,804,746	81	\$15,256,064	80	\$15,654,236	80	\$15,279,459	80	\$15,653,560	80	\$16,105,443	80	\$16,570,196
Administrator	9	\$5,210,758	9	\$2,967,801	9	\$2,159,783	9	\$2,305,125	5	\$1,665,201	5	\$1,576,617	5	\$1,646,732
RN's	212	\$21,420,960	207	\$21,764,869	194	\$23,130,138	193	\$23,053,997	190	\$23,371,839	189	\$23,745,880	189	\$24,379,109
LPN's	13	\$814,404	12	\$931,371	12	\$871,259	15	\$1,109,389	15	\$1,136,551	15	\$1,169,361	15	\$1,203,105
Nursing Aides	93	\$3,988,041	92	\$4,380,510	90	\$4,438,024	95	\$4,536,524	95	\$4,647,596	95	\$4,781,762	95	\$4,919,748
PT's	13	\$956,275	13	\$1,135,387	13	\$1,268,380	17	\$1,093,709	17	\$1,120,487	17	\$1,152,833	17	\$1,186,100
OT's	5	\$334,196	6	\$458,013	6	\$484,648	8	\$621,391	8	\$636,605	8	\$654,982	8	\$673,883
Speech Therapists	7	\$666,172	8	\$709,375	7	\$676,042	7	\$708,862	7	\$726,218	7	\$747,182	7	\$768,743
Clerical	267	\$11,295,560	261	\$12,221,353	240	\$13,160,315	235	\$13,003,995	227	\$12,950,457	215	\$12,958,458	215	\$13,020,485
Housekeeping	44	\$2,402,452	41	\$2,099,119	34	\$1,789,961	35	\$1,644,445	35	\$1,684,707	35	\$1,733,341	35	\$1,783,360
Other	549	\$44,689,235	519	\$45,219,857	477	\$45,916,836	481	\$44,933,715	450	\$43,333,301	443	\$43,816,065	442	\$44,803,014
Other [4]	0	\$0	0	\$0	0	\$0	0	\$0	0	(\$194,534)	0	(\$1,061,289)	0	(\$743,983)
Totals	1,297	\$105,582,798	1,248	\$107,143,720	1,160	\$109,549,624	1,174	\$108,290,612	1,129	\$106,731,988	1,109	\$107,380,636	1,108	\$110,210,492

[1] A minor timing discrepancy exists between the Budgeted Current Year FY 2013 FTE totals and a detailed MHRI FTE listing as of November 6, 2012, which was utilized for the FTE reduction analysis.

[2] The "Number of FTEs" is as of the end of each year. "Payroll w/Fringes" reflects FTE eliminations as they occur throughout each projected year. FTE reductions in the Projected Years are shown based on Budgeted Current Year FY 2013 as a start point.

[3] Physicians who serve in Medical Director roles are accounted for in the Physicians category.

[4] Relates to additional non-FTE reduction costs / (savings) that are personnel-based.

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: 2010	FY: 2011	FY: 2012	FY: 2013	FY: 2014	FY: 2015	FY: 2016
REVENUES [1]							
Net Patient Revenue (000's)	\$165,453	\$161,460	\$155,060	\$160,194	\$166,317	\$172,609	\$179,500
Other:	8,290	8,953	8,172	10,964	9,142	9,366	9,594
Total Revenue	173,743	170,413	163,231	171,158	175,459	181,976	189,094
EXPENSES							
Payroll w/Fringes	105,583	107,144	109,550	108,291	106,732	107,381	110,210
Bad Debt	15,637	16,353	15,131	15,488	16,164	16,870	17,608
Supplies	NA	NA	NA	NA	NA	NA	NA
Office Expenses	NA	NA	NA	NA	NA	NA	NA
Utilities	NA	NA	NA	NA	NA	NA	NA
Insurance	NA	NA	NA	NA	NA	NA	NA
Interest	1,287	1,144	910	706	621	530	347
Depreciation/Amortization	4,065	4,162	3,939	4,253	4,255	4,279	4,156
Leasehold Expenses	NA	NA	NA	NA	-	-	-
Other [2]	51,243	50,249	49,774	52,487	50,839	52,358	54,674
Other [3]	-	-	-	-	2,583	4,972	7,711
Total Expenses	177,814	179,052	179,302	181,225	181,194	186,389	194,706
OPERATING PROFIT/LOSS	(\$4,071)	(\$8,639)	(\$16,071)	(\$10,067)	(\$5,735)	(\$4,414)	(\$5,612)
# of Admissions	6,576	6,373	5,749	5,836	5,824	5,813	5,801
# of ED Visits	32,866	32,195	33,008	33,338	33,671	34,008	34,348

[1] Prepared specifically for Appendix A-2 and may not match exactly with other financial projections assembled.

[2] "Other" includes supplies, office expenses, utilities, insurance and leasehold expenses. These items have not been broken out individually on a historical basis.

[3] Relates to direct costs related to additional clinical revenue enhancements.

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 2010		FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		FY 2016	
Payor Source:	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Medicare	\$68,994,672	41.7%	\$69,189,810	42.9%	\$64,751,719	41.8%	\$66,598,244	41.6%	\$69,171,176	41.6%	\$71,815,506	41.6%	\$74,717,905	41.6%
Medicaid	\$28,334,658	17.1%	\$28,398,802	17.6%	\$24,070,643	15.5%	\$25,383,028	15.8%	\$26,343,247	15.8%	\$27,330,271	15.8%	\$28,408,683	15.8%
Blue Cross	\$24,134,358	14.6%	\$24,239,235	15.0%	\$25,370,644	16.4%	\$26,404,763	16.5%	\$27,409,306	16.5%	\$28,441,846	16.5%	\$29,571,390	16.5%
Commercial	\$15,103,531	9.1%	\$14,532,830	9.0%	\$14,711,097	9.5%	\$16,260,338	10.2%	\$16,878,530	10.1%	\$17,513,954	10.1%	\$18,208,972	10.1%
HMO's	\$2,142,216	1.3%	\$1,689,940	1.0%	\$1,821,571	1.2%	\$1,918,038	1.2%	\$1,991,064	1.2%	\$2,066,124	1.2%	\$2,148,249	1.2%
Self Pay	\$20,329,492	12.3%	\$21,087,548	13.1%	\$22,211,220	14.3%	\$22,324,773	13.9%	\$23,169,392	13.9%	\$24,037,588	13.9%	\$24,986,191	13.9%
Other	\$6,414,178	3.9%	\$2,321,802	1.4%	\$2,122,769	1.4%	\$1,305,049	0.8%	\$1,353,792	0.8%	\$1,403,901	0.8%	\$1,458,494	0.8%
Total	\$165,453,105	100.0%	\$161,459,967	100.0%	\$155,059,663	100.0%	\$160,194,233	100.0%	\$166,316,506	100.0%	\$172,609,190	100.0%	\$179,499,884	100.0%
Charity Care *	\$2,797,259	1.7%	\$2,982,678	1.8%	\$4,875,992	3.1%	\$4,915,801	3.1%	\$5,101,859	3.1%	\$5,293,109	3.1%	\$5,502,092	3.1%

*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
None			

Change in Effective Control Application

Version 11.23.12

Name of Applicant: Care New England Health System	
Name of Facility: Memorial Hospital Home Care	
Date Application Submitted:	
Original Application Submitted:	February 11, 2013
Application Resubmitted:	March 22 , 2013
Amount of Fee: \$8,878.00	

All questions concerning this application should be directed to the Office of Health Systems Development at (401) 222-2788

Please have the appropriate individual attest to the following:

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

Dennis D. Keefe 3/15/13
signed and dated by the President or Chief Executive Officer

Francis Z. Giatas, 3/15/13
signed and dated by Notary Public

My Commission Expires
9-11-13
Francis L. Giatas

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1. Please provide an executive summary describing the nature and scope of the proposal. Additionally, please include the following: (1) identification of all parties, (2) description of the applicant and its licensure track record, (3) the type of transaction proposed including description of the transaction and relevant costs, (4) summary of all transfer documents, and (5) summary of the organizational structure of the applicant and its affiliates.

(1) Care New England Health System, a Rhode Island non-profit corporation (“CNE”), operates a health care system serving Rhode Island and is the sole member of Kent County Visiting Nurses Association d/b/a VNA of Care New England (“VNE of CNE”), Butler Hospital (“Butler”), Kent County Memorial Hospital (“Kent”), and Women & Infants Corporation, which is the sole member of Women & Infants Hospital of Rhode Island (“WIH”). CNE is the ultimate corporate parent of certain other associated entities that provide and support health care and health care-related services.

Southeastern Healthcare System, Inc., a Rhode Island non-profit corporation (“MHRI Parent”), is the parent organization of a health care system serving Rhode Island and Massachusetts, comprising a number of directly or indirectly owned or controlled affiliates and subsidiaries, including The Memorial Hospital d/b/a Memorial Hospital of Rhode Island, a Rhode Island non-profit corporation (“MHRI”). MHRI has been determined to be a financially distressed hospital by the Director of Health. MHRI operates Memorial Hospital Home Care (“Memorial Home Care”), a licensed home nursing care provider.

(2) Care New England Health System was incorporated as “Enterprise Health System” in Rhode Island on November 7, 1995. It is tax-exempt under section 501(c)(3) of the Internal Revenue Code. The name was officially changed to “Care New England Health System” on January 29, 1996, and in February 1996, Butler, Kent and WIH became the founding members. In June 1999, Kent County Visiting Nurse Association became a member of CNE, and later that year began operating under the name “VNA of Care New England.” CNE has more than 5,000 FTEs and 730 active medical staff members. In total, CNE hospitals have 643 licensed beds and 80 NICU bassinets. Annually, CNE hospitals discharge approximately 42,000 patients, perform approximately 23,000 surgical procedures, and deliver over 9,000 babies, and have more than 88,000 emergency room visits. CNE has approximately \$800 million in annual revenue and \$750 million in assets.

VNA of CNE provides a wide spectrum of home health, hospice and private duty nursing services, providing services to approximately 5,000 individual patients each year and makes over 60,000 skilled nursing visits annually. VNA of CNE has growing telehealth and geriatric programs and is a presence statewide in home health services.

Each of Butler, Kent, and WIH are hospitals licensed in compliance with Rhode Island law and regulations, and each holds a wide range of accreditations, including, without limitation, from the Joint Commission. VNA of CNE is a licensed home nursing care provider and hospice provider in compliance with Rhode Island law and regulations, holding a wide range of accreditations, including, without limitation, from the Joint Commission. All the licensed CNE facilities are in material compliance with state licensure requirements and have established track records of such compliance.

(3) The change in effective control (the "Affiliation") will be implemented by CNE becoming the sole corporate member of MHRI Parent and MHRI Parent and MHRI causing their respective governing bodies to be comprised of the individuals who from time to time serve as members of the CNE Board of Directors. MHRI will nominate three individuals to join the CNE Board of Directors and the president of MHRI's medical staff will become an ex-officio member of the CNE Board of Directors. After the Affiliation is implemented, (i) MHRI will remain a separately licensed hospital with access to the same centralized corporate services as CNE provides to the other hospitals in the CNE system, and (ii) the services provided by Memorial Home Care will be integrated with and into the services provided by VNA of CNE. Concurrent with this application, CNE has submitted to the Department of Health a Change in Effective Control Application with respect to MHRI's hospital license. CNE, MHRI Parent and MHRI have also submitted applications pursuant to the Hospital Conversions Act to the Department and Attorney General concerning MHRI.

The Affiliation does not involve the exchange of cash or similar financial consideration. After the Closing, CNE will either (i) call, discharge, or refinance MHRI's bond debt (approximately \$11 million as of September 2012), or (ii) work with MHRI to form the most effective credit group structure, as determined by CNE. CNE will fund any operating shortfall of MHRI or its affiliates through September 30, 2016, from CNE operating funds or other assets should CNE determine that such funding is necessary. CNE estimates that the potential shortfall may be approximately \$27 million to \$36 million. CNE anticipates that, following September 30, 2016, it will support MHRI financially in the same manner that CNE supports its other hospital members.

(4) The Affiliation will be accomplished pursuant to an Affiliation Agreement dated January 2, 2013 by and among CNE, MHRI Parent, and MHRI (the "Affiliation Agreement"). The Affiliation Agreement provides that the parties will take the following actions: (i) MHRI Parent will amend its organizational documents to name CNE as its sole corporate member; (ii) MHRI Parent will cause MHRI and MHRI's affiliates to amend their organizational documents to the extent necessary to consummate the Affiliation and ensure that CNE will have the same direct and indirect reserved powers over MHRI's affiliates as CNE has with respect to CNE's affiliates; (iii) CNE will amend its organizational documents to increase the size of CNE's Board of Directors to accommodate the additional directors discussed above; (iv) MHRI Parent will cause its Board of Trustees to be comprised of the individuals who from time to time serve as members of the CNE Board of Directors; and (v) MHRI will cause its Board of Trustees to be comprised of the individuals who from time to time serve as the members of the CNE Board.

(5) CNE is the sole corporate member of VNA of CNE, Butler, Kent, and Women & Infants Corporation, which is the sole corporate member of WIH.

2. Name and address of the applicant:

Name:	Care New England Health System	Telephone:	(401) 453-7900
Address:	45 Willard Avenue, Providence, RI	Zip Code:	02905

3. Name and address of facility (if different from applicant):

Name:	Memorial Hospital Home Care	Telephone:	(401) 312-2500
Address:	111 Brewster Street, Pawtucket, RI	Zip Code:	02860

4. Information of the President or Chief Executive Officer of the applicant:

Name:	Dennis D. Keefe, President & CEO	Telephone:	(401) 453-7900
Address:	45 Willard Avenue, Providence, RI	Zip Code:	02905
E-Mail:	dkeefe@carene.org	Fax:	(401) 453-7686

5. Information for the person to contact regarding this proposal:

Name:	Michael G. Tauber	Telephone:	(401) 457-5238
Address:	Hinckley, Allen & Snyder LLP 50 Kennedy Plaza, Suite 1500, Providence RI	Zip Code:	02903
E-Mail:	mtauber@haslaw.com	Fax:	(401) 277-9600

6. A. **EXISTING ENTITY:**

License category:	Home Nursing Care Provider		
Name of Facility:	Memorial Hospital Home Care	License #:	HCN02289
Address:	111 Brewster Street, Pawtucket, RI	Telephone:	(401) 312-2500
Type of Ownership:	<input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Co.		
Tax Status:	<input type="checkbox"/> For Profit <input checked="" type="checkbox"/> Non-Profit		

B. **PROPOSED ENTITY:**

License category:	Home Nursing Care Provider		
Name of Facility:	Memorial Hospital Home Care	License #:	HCN02289
Address:	111 Brewster Street, Pawtucket, RI	Telephone:	(401) 312-2500
Type of Ownership:	<input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Co.		
Tax Status:	<input type="checkbox"/> For Profit <input checked="" type="checkbox"/> Non-Profit		

7. Does this proposal involve a nursing facility? Yes ___ No X
- If response to Question 7 is 'Yes', please complete Appendix C.
8. Will the facility be operated under management agreement with an outside party? Yes ___ No X
- If response to Question 8 is "Yes", please provide copies of that agreement.
9. Will the proposal involve the facility/ies providing healthcare services under contract with an outside party? Yes X No ___
- If response to Question 9 is "Yes", please identify and describe those services to be contracted out.
- The facility may contract with outside parties for some health care services, such as temporary staffing.**
10. Estimate the date (month and year) for the proposed transfer of ownership, if approved:

July 1, 2013

11. Please provide a concise description of the services currently offered by the licensed entity and identify any services that will be added, terminated, expanded, or reduced and state the reasons therefore:

Memorial Home Care provides an array of skilled nursing, therapy and home health aide support. Implementation of the Affiliation will involve the integration of the services currently provided by Memorial Home Care with the services currently provided by VNA of CNE, such that the services currently provided by either Memorial Home Care or VNA of CNE will be provided by VNA of CNE upon completion of the integration. Following the integration, VNA of CNE will continue to make use of the current office space used by MHRI Home Care.

12. Please identify the long-term plans of the applicant with respect to the health care programs and health care services to be provided at the facility:

Following the Affiliation, CNE plans to integrate the services currently provided by Memorial Home Care with and into the services currently provided by VNA of CNE. Once integrated, VNA of CNE will be the provider of home nursing care in the CNE system and Memorial Home Care will cease to provide home nursing care services. CNE anticipates that VNA of CNE will continue to provide the full continuum of health care services provided by Memorial Home Care and VNA of CNE prior to the integration.

13. Does the entity seeking licensure plan to participate in Medicare or Medicaid (Titles XVIII or XIX of the Social Security Act)?

MEDICARE: Yes X No ___

MEDICAID: Yes X No ___

- If response to Question 13 for either Medicare and/or Medicaid is 'No', please explain.

14. Please provide all appropriate signed legal transfer documents (i.e. purchase and sale agreement, affiliation agreement); **NOTE:** these documents must cause both parties to be legally bound.

(See Exhibit A)

15. Please provide organization charts of both agencies (existing entity and the applicant) for prior to transfer and post transfer, identifying all "parent" legal entities with direct or indirect ownership in or control, all "sister" legal entities also owned or controlled by the parent(s), and all "subsidiary" legal entities.

(See Exhibit B)

16. If the proposed owner, operator or director owned, operated or directed a health care facility (both within and outside Rhode Island) within the past five years, please demonstrate the record of that person(s) with respect to access of traditionally underserved populations to its health care facilities.

CNE, its hospitals, and VNA of CNE take pride in their long and distinguished history of service to Rhode Island. CNE has continually worked to assess community needs and respond accordingly with needed programs and interventions to improve access for traditionally underserved populations. Indeed, the CNE hospitals are all currently actively involved in developing formal community health needs assessments, working through the Hospital Association of Rhode Island, Healthy Communities Initiative. These assessments should be completed by September 30, 2013.

Not only do all CNE hospitals and VNA of CNE participate in Medicare and Medicaid – the usual measure of access to traditionally underserved populations – but because of its unique combination of specialty services at WIH and Butler, CNE provides the greatest care access portal to women and to those suffering from serious behavioral disorders within the state of Rhode Island.

In addition, CNE's hospitals facilitate access to those who are not adequately insured through its charity care programs. These programs accounted for more than \$14.5 million in services (at cost) to the populations served in FY 2012.

VNA of CNE has adopted the Home Health Quality Improvement best practice intervention approach to improve care and outcomes for the underserved, disparate, and dual eligible populations. This model utilizes the "3As" approach: awareness, assessment and action. This systematic approach is designed to address the unfavorable outcome of higher utilization of emergent care and hospitalization and re-hospitalization for this population when compared to other populations.

Recent community assessment findings have identified home health care populations with limited English proficiency, health literacy issues impacting a person's ability to navigate the health system, barriers to accessing routine preventative health care, and high incidence of diabetes and hypertension.

In collaboration with other CNE operating units, VNA of CNE has adopted the recommendations of the National Standards on Culturally and Linguistically appropriate health care practices to address recruitment and employment of minorities, access to language services and partnering with community based resources, including faith based organizations.

Consistent with the above, VNA of CNE has undertaken the following initiatives and activities over the past 12 months:

- **Conducted free immunization clinics at community sites and wellness fairs;**
- **Offered education to at risk populations on various topics including falls prevention, personal safety and healthy practices;**
- **Offered in home nutritional counseling for at risk populations with chronic disease;**
- **Expanded intake data questions to address preferred language of patient/family, information noted in EMR; and**
- **Sponsored personal safety training programs for employees.**

Additionally, VNA of CNE offers bereavement support groups, health screenings and community education sessions at convenient locations throughout Rhode Island.

Please see Exhibit C for the charity care record of each of CNE's hospitals and VNA of CNE.

17. Please identify the proposed immediate and long-term plans of the applicant to ensure adequate and appropriate access to the program and health care services to be provided by the health care facility/ies to traditionally underserved populations.

Caring for the indigent, uninsured and/or under-insured has been, and will continue to be a core part of the mission of CNE and its members, including VNA of CNE. Memorial Home Care and all the CNE facilities participate in Medicare and Medicaid and the CNE facilities, including VNA of CNE, will continue to do so after the Affiliation. After the Affiliation is consummated and the services currently provided by Memorial Home Care are fully integrated into VNA of CNE, VNA of CNE will continue its long-standing practice of providing programs and services to traditionally underserved populations. Additionally, VNA of CNE plans to continue its practices with respect to ensuring access of traditionally underserved populations to its health care facilities, as set forth in the response to Question 16.

18. Please provide a copy of charity care policies and procedures and charity care application form.

Attached hereto as Exhibit D, please find CNE's Charity Care policy and application form and MHRI's current Community Free Service and Discount for Self Pay Patient policies, as well as MHRI's form of Application for Financial Aid. Following the integration of the services currently provided by Memorial Home Care with and into VNA of CNE, CNE's

Charity Care policy and application form will continue to be utilized with respect to all home health care services offered by VNA of CNE.

19. After the proposed change in effective control, will the facility/ies provide medically necessary services to patients without discrimination, including the patients' ability to pay for services? Yes X No .

- If response to Question 23 is 'No', please explain.

20. Please identify any state or federal licensure or certification citations and/or enforcement actions taken against the applicant and their affiliates within the past 3 years and the status or disposition of each.

(See Exhibit E)

21. Please provide a list of pending or adjudicated citations, violations or charges against the applicant and their affiliates brought by any governmental agency or accrediting agency within the past 3 years and the status or disposition of each.

(See Exhibit F)

22. Please provide a list of any investigations by federal, state or municipal agencies against the applicant and their affiliates within the past 3 years and the status or disposition of each.

(See Exhibit G)

23. Please identify any planned actions of the applicant to reduce, limit, or contain health care costs and improve the efficiency with which health care services are delivered to the citizens of this state.

Following the Affiliation, CNE plans to integrate the services currently provided by Memorial Home Care with and into the services currently provided by VNA of CNE. Once integrated, VNA of CNE will be the provider of home nursing care in the CNE system and Memorial Home Care will cease to provide home nursing care services. By integrating services into the VNA of CNE, CNE's goal is to improve the efficiency of services provided while containing associated costs. CNE anticipates that VNA of CNE will continue to provide the full continuum of health care services provided by Memorial Home Care and VNA of CNE prior to the integration.

Following the Affiliation, CNE plans to integrate MHRI into the combined CNE system to bolster an integrated delivery system in which patient care is coordinated across a full continuum of health care providers. CNE anticipates building on the services provided at MHRI and the CNE hospitals with a view towards enhancing current, and developing new, programs to increasing synergies among the hospitals which allow for improved services while also moderating cost trends. By combining clinical programs and sharing best practices and clinical protocols across the system, CNE's goal is to reduce variations in treatment and improve the efficiency of care delivered at all of its locations.

CNE and MHRI are studying how best to configure their services in the new combined system. It is anticipated that there will be consolidation at a single site within the combined CNE system of some services that are currently provided at both a CNE hospital and MHRI. The parties fully expect that their ongoing examination of the combined system will lead to additional opportunities for integration. CNE and MHRI have identified some areas of service that will be relocated from MHRI and, post-Affiliation, be provided by other existing licensed entities in the CNE system, including cardiac catheterization, certain imaging related procedures, and home nursing services.

CNE also intends to incorporate MHRI into CNE's electronic medical record system, permitting prompt and efficient access to medical information pertinent to a patient's care. Timely electronic access to medical history, test results, and other important treatment information will help avoid unnecessary duplication of tests and other diagnostic procedures and the attendant costs, risks, and delays. A robust electronic medical records system also allows for more efficient tracking of follow-up care, typically leading to lower cost treatment and avoiding unnecessary hospitalizations and re-hospitalizations.

On the administrative side, CNE will provide MHRI with the same centralized corporate services (such as legal, compliance, risk management, human resources, and managed care contracting services) that CNE provides to the other hospitals within the CNE system, thereby reducing duplicative administrative costs.

24. Please provide a copy of the Quality Assurance Policies (for the services) and a detailed explanation of how quality assurance for patient services will be implemented at the facility/ies by the applicant.

Attached hereto as Exhibit H, please see MHRI's Performance Improvement and Professional Practice Evaluation policies. Also attached in Exhibit H are VNA of CNE's Performance Improvement Plan and Patient Safety Plan and related policies, which will apply to the services provided by VNA of CNE following the integration of services currently provided by Memorial Home Care with and into VNA of CNE.

25. Please provide a detailed description about the amount and source of the equity and debt commitment for this transaction. (**NOTE:** If debt is contemplated as part of the financing, please complete Appendix E). Additionally, please demonstrate the following:

- A. The immediate and long-term financial feasibility of the proposed financing plan;
- B. The relative availability of funds for capital and operating needs; and
- C. The applicant's financial capability.

No cash or similar financial consideration will be paid at the Closing of the Affiliation. After the Closing, CNE will either (i) call, discharge, or refinance MHRI's bond debt (approximately \$11 million as of September 2012), or (ii) work with MHRI to form the most effective credit group structure, as determined by CNE. CNE will fund any operating shortfall of MHRI or its affiliates through September 30, 2016, from CNE operating funds

or other assets should CNE determine that such funding is necessary. CNE estimates that the potential shortfall may be approximately \$27 million to \$36 million. CNE anticipates that, following September 30, 2016, it will support MHRI financially in the same manner that CNE supports its other hospital members. No specific allocation of acquisition costs has been made for Memorial Home Care.

A. It is important to note that MHRI's "Unrestricted Net Deficiency" as indicated in its 12/31/12 unaudited financial statements is \$27,100,946. This is calculated by taking its total assets and subtracting all liabilities (including those to be paid out over long terms) and backing out the value of any assets that are being held for either temporary or permanent restrictions (for example, restricted grants or permanent restricted endowments). The comparable figure for CNE at 12/31/12 (unaudited) was a positive \$258.3 million. Once the Affiliation is complete, CNE expects to consolidate MHRI's financials into CNE's, which will have an impact on CNE's "net asset" position, but only by slightly more than 10%.

MHRI's negative net asset position can be entirely attributed to the dramatically underfunded pension plan, with that liability alone accounting for over \$60 million. It is important to note that while this liability will have to be addressed over a period of years, it is not something that requires substantial funding in the short term from a CNE perspective (i.e., CNE will not be making a \$27 million payment at closing).

Similarly, MHRI is currently carrying about \$11 million in RIHEBC tax-exempt bonds. CNE is working with advisors currently to determine how CNE can best structure its overall shared debt (CNE plus MHRI). CNE has a total of about \$115 million in debt, and very good ability to cover its existing debt covenants. Adding \$11 million of MHRI debt to CNE will not materially affect CNE's debt profile. In fact, MHRI's debt was very conservatively structured with an aggressive payment schedule, so one potential option would be to simply extend the maturity of the bonds, which would lower the overall current debt service while still being beneficial from a present value of funds perspective given the favorable interest rate markets of today. However, CNE is continuing its dialogue with the investment banking community to address in a more holistic way CNE's longer term debt strategy and structure.

While the \$27 million negative "net assets" at MHRI is important, this transaction is more dependent on CNE and MHRI working together to improve MHRI's operating performance and reverse the operating losses MHRI has experienced over the last three fiscal years. Taking advantage of the combined larger scale is most important – eliminating duplication of systems and functions by consolidating information technology platforms, departments, and leadership positions across the combined system. Time is of the essence to do this most effectively; every month that passes, MHRI continues to lose money, and the monetary cushion to work through the required transition is lost.

CNE is committed to typically achieving an operating margin of not less than 1.5%. CNE will strive to improve upon that because CNE understands that in order to ensure long-term access to capital, CNE must strengthen its balance sheet via strong operating performance. Nevertheless, CNE does not expect its unrestricted net assets (when combined with MHRI)

to fall below \$200,000,000 under any set of anticipated circumstances between the present date and September 30, 2016. In that context, the Affiliation is financially feasible.

B. CNE currently is evaluated as an “investment grade credit” in the financial community. CNE has routinely been able to access capital to support various projects, having done minor borrowing in each of the last 3 years (2012 - \$10 million, Bank of America, RIHEBC capital lease; 2011 - \$16 million, JPMorgan, RIHEBC bonds; 2010 - \$12 million, JPMorgan, RIHEBC bonds). Even with the weak position of MHRI, CNE advisors are confident that CNE can easily absorb MHRI’s existing debt and also go to the market to borrow new monies if CNE determines it prudent to do so, to take advantage of the historically low interest rates currently prevailing in the market. It is important to note, however, that CNE borrowing is not necessary to finance the cost of the Affiliation with MHRI or to absorb MHRI’s obligations.

C. CNE has sufficient financial capability to undertake the Affiliation. For fiscal years 2010, 2011, and 2012, CNE had operating gains of \$18.8, \$12.2 and \$10.8 (millions), respectively. Regarding the fiscal year ending 9/30/13, CNE has budgeted an operating gain of \$12.8 million (1.5% margin). Through January 2013, unaudited results were a loss of \$2.8 million, though favorable to budget by nearly \$1 million. (It is not unusual for the first quarter to show a loss for a variety of structural reasons which even out over the course of the year; for example, last year the first quarter showed a loss of \$2.3 million and CNE finished the year with an operating gain of \$10.8 million.) Being able to project results in hospitals is extremely difficult, as so much relies on activity levels and payor mix. If revenues come under budget, hospitals do their best to reduce costs accordingly; however, the ability to reduce costs is extremely challenging given the level of fixed costs and reliance on employed, scheduled staff. CNE remains optimistic about its ability to achieve budget targets.

In terms of CNE’s cash position, as of 9/30/12, CNE had 70 days cash on hand, up from 62 the prior year and materially unchanged from the 73 the year before that, while maintaining CNE’s debt to capitalization ratio at a relatively low .31. The System’s Board-designated/endowment funds are managed under the oversight of a CNE Board Investment Committee. One, three, and five year returns as of 12/31/12 have been 13.7%, 8.3% and 3.5% versus a benchmark of comparable funds of 12.5%, 7.8% and 2.4%, respectively.

26. Please provide legally binding evidence of site control (e.g., deed, lease, option, etc.) sufficient to enable the applicant to have use and possession of the subject property, if applicable.

(See Exhibit I)

27. If the facility is not-for-profit and/or affiliated with a not-for-profit, please provide written approval from the Rhode Island Department of Attorney General of the proposal.

An Expedited Review Hospital Conversion Initial Application with respect to MHRI’s hospital license is being submitted to the Rhode Island Department of Attorney General concurrently with this Application.

28. Please provide each of the following documents applicable to the applicant's legal status:

- Certificate and Articles of Incorporation and By-Laws (for corporations)
- Certificate of Partnership and Partnership Agreement (for partnerships)
- Certificate of Organization and Operating Agreement (for limited liability corporations)

(See **Exhibit J**)

- If any of the above documents are proposed to be revised or modified in any way as a result of the implementation of the proposed change in effective control, please provide the present documents and the proposed documents and **clearly identify** the revisions and modifications.

(See **Exhibit K**)

29. If the applicant and/or one of its parent companies (or ultimate parent) is a publicly traded corporation, please provide copies of its most recent SEC 10K filing.

N/A

30. Please provide audited financial statements (which should include an income statement, balance sheet and cash flow statement) for the last three years for the applicant, and/or its ultimate parent, and for the existing facility.

(See **Exhibit L**)

31. All applicants must complete Appendix A, D, F and G.

APPENDIX A

All applicants must complete this Appendix.

For hospital proposals, in place of this Appendix A, please complete the Appendix A of the Hospital Conversions Application located at:

<http://www.health.state.ri.us/programs/hospitalconversionsmerger/index.php>

1. Please indicate the financing mix for the capital cost of this proposal. **NOTE:** the Health Services Council's policy requires a minimum 20 percent equity investment in CEC projects.

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

**N/A, please see
Note below**

* Equity means non-debt funds contributed towards the capital cost related to a change in owner or change in operator of a healthcare facility 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 E.

Note: The change in effective control of Memorial Home Care is part of the larger change of effective control of the MHRI system. No capital costs have been allocated to the change in effective control of Memorial Home Care.

2. Please identify the total number of FTEs (full time equivalents) and the associated payroll expense (with fringe benefits) required to staff this proposal in the last full year and as projected in the first full year after the implementation of the proposal.

PERSONELL	CURRENT YEAR 2013 [1]		<-- FIRST FULL OPERATING YEAR --> [2]			
	EXISTING		ADDITIONS/(REDUCTIONS)		NEW TOTALS	
	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringes
Medical Director [3]	0	0	0	0	0	0
Physicians	0	0	0	0	0	0
Administrator	0	0	0	0	0	0
RNs	31	3,369,076	(16)	(1,684,538)	16	1,684,538
LPNs	2	171,397	(1)	(85,699)	1	85,699
Nursing Aides	10	457,966	(5)	(228,983)	5	228,983
PTs	7	873,924	(4)	(436,962)	4	436,962
OTs	3	225,959	(2)	(112,980)	2	112,980
Speech Therapists	2	161,531	(1)	(80,766)	1	80,766
Clerical	9	455,963	(5)	(227,982)	5	227,982
Housekeeping	0	0	0	0	0	0
Other:	12	1,609,515	(6)	(804,758)	6	804,758
TOTALS	75	\$7,325,331	(38)	(\$3,662,666)	38	\$3,662,666

Notes:

[1] A minor timing discrepancy exists between the Budgeted Current Year 2013 FTE totals and a detailed MHRI FTE listing as of November 6, 2012, which was utilized for the FTE reduction analysis.

[2] CNE plans to integrate the services currently provided by Memorial Home Care with the services currently provided by VNA of CNE. Once this occurs, VNA of CNE will be the provider of home nursing care in the CNE system and Memorial Home Care will cease operations. CNE anticipates that this integration will be completed approximately six months following the Affiliation.

[3] Physicians who serve in Medical Director roles are accounted for in the Physicians category.

APPENDIX A (CONT.)

3. Please complete the following table for the facility for the last full year, the current year and for the first year after the implementation of the proposal. Round all amounts to the nearest dollar.

[1]	ACTUAL PREVIOUS YEAR 2012	BUDGETED CURRENT YEAR 2013	<-- FIRST FULL OPERATING YEAR --> [2]		
			CEC DENIED	CEC APPROVED	INCREMENTAL DIFFERENCE
REVENUES:					
Net Patient Revenue	\$8,602	\$8,619	\$8,877	\$4,439	(\$4,439)
Other:	--	--	--	--	--
Total Revenue	\$8,602	\$8,619	\$8,877	\$4,439	(\$4,439)
EXPENSES:					
Payroll w/Fringes	7,369	7,325	7,545	3,663	3,882
Bad Debt	--	--	--	--	--
Supplies [3]	NA	NA	NA	NA	NA
Office Expenses [3]	NA	NA	NA	NA	NA
Utilities [3]	NA	NA	NA	NA	NA
Insurance [3]	NA	NA	NA	NA	NA
Interest	--	--	--	--	--
Depreciation/Amortization	--	--	--	--	--
Leasehold Expenses	--	--	--	--	--
Other:	439	410	422	211	211
Other:	--	--	--	--	--
Total Expenses	7,808	7,735	7,967	3,874	4,093
OPERATING PROFIT:	\$794	\$884	\$910	\$565	(\$346)

Notes:

[1] Prepared specifically for Appendix A-3 of the RICEC Application, and may not match exactly with other financial projections assembled. All numbers in table: 1 = 1,000.

[2] CNE plans to integrate the services currently provided by Memorial Home Care with the services currently provided by VNA of CNE. Once this occurs, VNA of CNE will be the provider of home nursing care in the CNE system and Memorial Home Care will cease operations. CNE anticipates that this integration will be completed approximately six months following the Affiliation.

[3] Included in other. "Other" includes supplies, office expenses, utilities, insurance and leasehold expenses. These items have not been broken out individually on a historical basis.

4. Please provide utilization statistics (both as a dollar value and percentage) for the existing facility by completing the table below for the requested years.

PAYOR SOURCE:	ACTUAL (PAST 3 YEARS)						BUDGETED CURRENT FY 2013		PROJECTED (IF CEC APPROVED)					
	FY 2010		FY 2011		FY 2012				FY 2014 [1]		FY 2015 [2]		FY 2016 [2]	
Medicare	\$5,786,341	80.8%	\$6,158,595	83.1%	\$6,950,365	80.8%	\$7,067,295	82.0%	\$3,639,980	82.0%	\$0	0.0%	\$0	0.0%
Medicaid	\$92,755	1.3%	\$118,577	1.6%	\$120,427	1.4%	\$103,424	1.2%	\$53,268	1.2%	\$0	0.0%	\$0	0.0%
Blue Cross	\$624,783	8.7%	\$563,241	7.6%	\$791,378	9.2%	\$827,391	9.6%	\$426,144	9.6%	\$0	0.0%	\$0	0.0%
Commercial	\$553,785	7.7%	\$466,897	6.3%	\$584,932	6.8%	\$448,170	5.2%	\$230,828	5.2%	\$0	0.0%	\$0	0.0%
HMO's	\$42,599	0.6%	\$22,233	0.3%	\$51,612	0.6%	\$68,949	0.8%	\$35,512	0.8%	\$0	0.0%	\$0	0.0%
Self Pay	\$56,798	0.8%	\$81,522	1.1%	\$103,223	1.2%	\$103,424	1.2%	\$53,268	1.2%	\$0	0.0%	\$0	0.0%
Other: ()	--	--	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL	\$7,157,061	100.0%	\$7,411,065	100.0%	\$8,601,937	100.0%	\$8,618,653	100.0%	\$4,439,000	100.0%	\$0	0.0%	\$0	0.0%
Charity Care*	\$78,398	1.1%	\$85,692	1.2%	\$122,044	1.4%	\$86,187	1.0%	\$44,390	1.0%	\$0	0.0%	\$0	0.0%

*Charity Care does not include bad debt, and is based on costs (not charges). For Home Nursing Care Providers the statewide community standard shall be one percent (1%) of net patient revenue earned on an annual basis.

- [1] CNE plans to integrate the services currently provided by Memorial Home Care with the services currently provided by VNA of CNE. Once this occurs, VNA of CNE will be the provider of home nursing care in the CNE system and Memorial Home Care will cease operations. CNE anticipates that this integration will be completed approximately six months following the Affiliation.
- [2] Services provided by Memorial Home Care will be integrated with and into VNA of CNE following the Affiliation and therefore it is anticipated that Memorial Home Care will not provide any services in Fiscal Years 2015 and 2016.

Appendix F

Disclosure of Ownership and Control Interest

All applicants must complete this Appendix.

I. 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.

- A. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the applicant, 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 applicant (or facility) 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 applicant (or facility) 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 applicant (or facility)? (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 applicant (or facility) has a direct or indirect ownership interest of 5 percent or more. (Also, please 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 applicant (or facility), 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 G

Ownership Information

All applicants must complete this Appendix

1. List all officers, members of the board of directors, and trustees, stockholder of the applicant and/or ultimate parent entity. For each individual, provide their home and business address, principal occupation, position with respect to the applicant and/or ultimate parent entity, and amount, if any, of the percentage of stock, share of partnership, or other equity interest that they hold.

See Attached

Name	Business Address	Principal Occupation	CNE Position	Stock/Share/ Equity Interest ¹
DIRECTORS of CNE²:				
Herbert Brennan, DO	2358 South County Trail, Box 1710 East Greenwich, RI 02818	Physician	<i>Ex Officio</i> Director (effective 10.2012)	N/A
David Carcieri, MD	1637 Mineral Spring Ave. Ste. 211 North Providence, RI 02909	Physician	<i>Ex Officio</i> Director (incoming 12.2012)	N/A
Allen Cicchitelli	Northeast Ventures, Inc. 1478 Atwood Ave., Ste 211 Johnston, RI 02919	Real Estate Executive	Director	N/A
Edward Cooney	Nortek, Inc. 50 Kennedy Plaza Providence, RI 02903	Business Executive	Director	N/A
Esther Emard	National Committee for Quality Assurance 1100 13 th Street NW, Suite 1000 Washington, DC 2005	Health Care Executive, COO	Director	N/A
Justice Robert Flanders, Jr. (Ret.)	Hinckley Allen Snyder 50 Kennedy Plaza Suite 1500 Providence, RI 02903	Attorney	Director	N/A
John Galvin	Collette Vacations 162 Middle Street Pawtucket, RI 02860	Business Executive, CFO	Director	N/A

¹ As a non-profit corporation, there are no individual holds a stock, shares or equity interests in Care New England Health System.

² Prior to June 28, 2012, the Bylaws of Care New England Health System and its hospital affiliates referred to board members as “directors” or “trustees.” As of June 28, 2012 (adoption of Amended and Restated Bylaws), all members of the board of Care New England Health System and its hospital affiliates are referred to as “trustees.”

Name	Business Address	Principal Occupation	CNE Position	Stock/Share/ Equity Interest ¹
Kent Gladding	Washington Trust Investors 68 South Main Street Providence, RI 02903	Banking Executive, VP and Investment Officer	Director	N/A
Douglas Jacobs	67 Orchard Street Providence, RI 02906	Retired Banking Executive	Director	N/A
Dennis Keefe	Care New England Health System 45 Willard Avenue Providence, RI 02905	Health Care Executive, President and CEO	Director	N/A
Diane Lipscombe, Ph.D.	Sidney E. Frank Hall for Life Sciences 185 Meeting Street, Box G-LN Providence, RI 02905	Professor and Researcher	Director	N/A
Joseph McGair, Esq.	Petarca and McGair, Inc. 797 Bald Hill Road Warwick, RI 02886	Attorney	Director	N/A
Robert Padula	Gencorp Insurance Group, Inc. Main Street East Greenwich, RI 02818	Insurance Executive, CEO	Director	N/A
Cynthia Patterson	N/A	Retired, Community Representative	Director	N/A
Charles Reppucci	Hinckley Allen Snyder 50 Kennedy Plaza Suite 1500 Providence, RI 02903	Business Executive, COO	Director	N/A

Name	Business Address	Principal Occupation	CNE Position	Stock/Share/ Equity Interest ¹
Lisa Shea, MD	Butler Hospital 345 Blackstone Blvd Providence, RI 02906	Physician and Health Care Executive, President of Medical Staff	<i>Ex Officio</i> Director	N/A
George Shuster	Cranston Print Works 1381 Cranston Street Cranston, RI 02920	Business Executive, Chairman	Director	N/A
Santina Siena, MD	University OB/GYN, Inc. 450 Veterans Memorial Parkway East Providence, RI 02914	Physician	<i>Ex Officio</i> Director (outgoing 12.2012)	N/A
Joseph Spinale, DO	455 Toll Gate Road Warwick, RI 02886	Physician	<i>Ex Officio</i> Director (ended 9.2012)	N/A
Maribeth Williamson	Amica Insurance 100 Amica Way Lincoln, RI 02865	Business Executive, VP and Controller	Director	N/A
OFFICERS of CNE				
Dennis Keefe	Care New England Health System 45 Willard Avenue Providence, RI 02905	Health Care Executive, President and CEO	President/CEO	N/A
George Shuster	Cranston Print Works 1381 Cranston Street Cranston, RI 02920	Business Executive, Chairman	Chairman	N/A
Charles Reppucci	Hinckley Allen Snyder 50 Kennedy Plaza Suite 1500 Providence, RI 02903	Business Executive, COO	Vice Chairman	N/A

Name	Business Address	Principal Occupation	CNE Position	Stock/Share/ Equity Interest ¹
Douglas Jacobs	67 Orchard Street Providence, RI 02906	Retired Banking Executive	Treasurer	N/A
Jack Sutherland, III	Care New England Health System 45 Willard Avenue Providence, RI 02905	Health Care Executive	Assistant Treasurer, Sr. Vice President for Finance/CFO	N/A
Cynthia Patterson	N/A	Retired, Community Representative	Secretary	N/A
Alyssa Boss	Care New England Health System 45 Willard Avenue Providence, RI 02905	Attorney, SVP and General Counsel	Assistant Secretary, Sr. Vice President and General Counsel	N/A

2. For each individual listed in response to Question 1 above, list all (if any) other health care facilities or entities within or outside Rhode Island in which he or she is an officer, director, trustee, shareholder, partner, or in which he or she owns any equity or otherwise controlling interest. For each individual, please identify: A) the relationship to the facility and amount of interest held, B) the type of facility license held (e.g. nursing facility, etc.), C) the address of the facility, D) the state license #, E) Medicare provider #, F) any professional accreditation (e.g. JACHO, CHAP, etc.), and G) complete Appendix B 'Compliance Report' and submit it to the appropriate state agency.

Charles Reppucci (Vice Chairman and Director of CNE Board of Directors) serves as Director and Vice Chair of the Rhode Island Blood Center:

(a) the relationship to the facility and amount of interest held – Director and Vice Chair, no interests held;

(b) the type of facility license held – In-State Clinical Laboratory;

(c) the address of the facility – 405 Promenade Street, Providence, Rhode island 02908;

(d) the state license #: LCI00150;

(e) Medicare provider #: N/A;

(f) any professional accreditation – CLIA, AABB Accreditation, American Society for Histocompatibility and Immunogenetics Certification;

3. If any individual listed in response to Question 1 above, has any business relationship with the applicant, including but not limited to: supply company, mortgage company, or other lending institution, insurance or professional services, please identify each such individual and the nature of each relationship.

- **Robert Flanders, Jr., Esq., Director: Mr. Flanders is a partner of the law firm Hinckley, Allen & Snyder LLP which provides professional legal services at customary rates to CNE and its affiliates.**
- **Constance A. Howes, President/CEO of Women & Infants Hospital and Director: Mrs. Howes' husband, R. Kelly Sheridan, is a principal of the law firm Roberts, Carroll, Feldstein & Peirce which provides professional legal services at customary rates for Women & Infants Hospital and its affiliates.**
- **Douglas Jacobs, Treasurer of the Board of Directors of CNE and Director: Mr. Jacobs is a Director of Clear Channel Outdoor Advertising which provides advertising services at customary rates for CNE.**
- **Joseph J. McGair, Esq., Director: Mr. McGair is an officer of Patricia and McGair, Inc. (successor to Patricia and McGair partnership) which provides professional legal services at customary rates for CNE.**

- **Charles R. Reppucci, Vice-Chairman of the Board of Directors of CNE and Director: Mr. Reppucci is employed by Hinckley, Allen & Snyder LLP which provides professional legal services at customary rates to CNE and its affiliates.**

4. Have any individuals listed in response to Question 1 above been convicted of any state or federal criminal violation within the past 20 years? Yes ___ No X

- If response to Question 4 is 'Yes', please identify each person involved, the date and nature of each offense and the legal outcome of each incident.

5. Please list all licensed healthcare facilities (in Rhode Island or elsewhere) owned, operated or controlled by any of the entities identified in response to Question 15 of the application. For each facility, please identify: A) the entity, applicant or principal involved, B) the type of facility license held (e.g. nursing facility, etc.), C) the address of the facility, D) the state license #, E) Medicare provider #, F) any professional accreditation (e.g. JACHO, CHAP, etc.), and G) complete Appendix B 'Compliance Report' and submit it to the appropriate state agency.

CNE controls the following entities:

Name: Butler Hospital

Address: 345 Blackstone Boulevard, Providence, RI 02906

Type of Facility License: Hospital

License Number: HOS 00124

Medicare Provider Number: 41-4000

Professional Accreditation: The Joint Commission – ID #601; The Joint Commission Opioid Treatment Program - ID #358714

Name: Kent Hospital

Address: 455 Toll Gate Road, Warwick, RI 02886

Type of Facility License: Hospital

License Number: HOS 00125

Medicare Provider Number: 41-0009

Professional Accreditation: The Joint Commission – ID #5655

Name: Kent County Visiting Nurses Association d/b/a VNA of Care New England

Address: 51 Health Lane, Warwick, RI 02886

Type of Facility License: Hospice Provider

License Number: (HSP01601); Home Nursing Care Provider (HNC02259)

Medicare Provider Number: Home Care – 417006A; Hospice – 411505A

Professional Accreditation: The Joint Commission – ID #38412

Name: Women & Infants Hospital of Rhode Island
Address: 101 Dudley Street, Providence, RI 02905
Type of Facility License: Hospital
License Number: HOS 00126
Medicare Provider Number: 410010
Professional Accreditation: The Joint Commission - ID #5650

Name: HealthTouch, Inc.
Address: 49 South County Way, Wakefield, RI 02879
Type of Facility License: Home Nursing Care Provider
License Number: HNC02306
Medicare Provider Number: n/a
Professional Accreditation: The Joint Commission - #38412

SHS controls the following entities:

Name: The Memorial Hospital d/b/a Memorial Hospital of Rhode Island
Address: 111 Brewster Street, Pawtucket, RI 02860
Type of Facility License: Hospital
License Number: HOS 00128; Nursing Care Provider License: #HNC02289
Medicare Provider Number: 410001
Professional Accreditation: The Joint Commission – ID #5648

Name: SHS Ventures, Inc.
Address: 60 Messenger Street, Plainville, MA 02762
Type of Facility License: Clinic
License Number: 4065
Medicare Provider Number: 1194830323
Professional Accreditation: None

Name: Blackstone Health, Inc. (New Horizons Adult Day Center)
Address: 11 Brewster Street, Pawtucket, RI 02860
Type of Facility License: Adult Day Care Program
License Number: ADC00013
Medicare Provider Number: none
Professional Accreditation: none

6. Have any of the facilities owned, operated or managed by the applicant and/or any of the entities identified in Question 5 above during the last 5-years had bankruptcies and/or were placed in receiverships?

Yes ___ No X

- If response to Question 6 is 'Yes', please identify the facility and its current status.

Explanatory Note to Exhibit A:

Please note that the exhibit to the Affiliation Agreement marked “redacted” was redacted from the Affiliation Agreement itself; it was not redacted from this Application.

EXECUTION COPY

**AFFILIATION AGREEMENT
BY AND AMONG
CARE NEW ENGLAND HEALTH SYSTEM,
SOUTHEASTERN HEALTHCARE SYSTEM, INC.
AND
THE MEMORIAL HOSPITAL**

January 2, 2013

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AFFILIATION AGREEMENT

This **AFFILIATION AGREEMENT** (the “**Agreement**”) is made and entered into this 2nd day of January, 2013 (the “**Execution Date**”), by and among **CARE NEW ENGLAND HEALTH SYSTEM**, a Rhode Island non-profit corporation (“**CNE**”), **SOUTHEASTERN HEALTHCARE SYSTEM, INC.**, a Rhode Island non-profit corporation (“**MHRI Parent**”) and **THE MEMORIAL HOSPITAL, d/b/a MEMORIAL HOSPITAL OF RHODE ISLAND**, a Rhode Island non-profit corporation (“**MHRI**”) (MHRI Parent and MHRI collectively, “**Memorial**”) (each a “**Party**” and collectively, the “**Parties**”).

RECITALS

WHEREAS, CNE operates a health care system serving Rhode Island and is the sole member of Butler Hospital, Kent Hospital, Women & Infants Hospital of Rhode Island, VNA of Care New England, Care New England Wellness Center and other associated entities that provide and support health care and health care-related services (collectively, the “**CNE System**”);

WHEREAS, MHRI Parent is the parent organization of a health care system serving Rhode Island and Massachusetts, comprised of a certain number of directly or indirectly owned or controlled affiliates and subsidiaries, as follows: MHRI, Primary Care Centers of New England, Inc., a Rhode Island corporation (“**PCCNE**”), Blackstone Health, Inc., a Rhode Island non-profit corporation (“**BH**”), SHS Ventures, Inc., a Massachusetts non-profit corporation (“**Ventures**”), MHRI Ancillary Services, LLC, a Rhode Island limited liability company (“**Ancillary**”), and Memorial Hospital of Rhode Island Physicians, Inc., a Rhode Island non-profit corporation (“**MHRI Physicians**”), that provide and support health care and health care-related services (collectively, the “**MHRI Affiliates**”);

WHEREAS, MHRI is the shareholder or member of the following joint ventures in which it holds less than all of the outstanding membership or equity interests: The Memorial Physician Hospital Organization, Inc., a Rhode Island corporation (“**PHO**”) and Rhode Island PET Services, LLC in which MHRI or a MHRI Affiliate currently participates (collectively, the “**Joint Venture Affiliates**”);

WHEREAS, the Parties share a common and unifying charitable mission to promote and improve access to health care and the health care status of the communities they serve and to provide high quality, affordable health care and health care-related services;

WHEREAS, the Parties desire to work together to become both a regional and national health care value leader, providing low-cost, high-quality health care services to their patients; and

WHEREAS, the Parties desire to establish a long-term strategic relationship which integrates MHRI Parent and the MHRI Affiliates with and into the CNE System, all on the terms set forth in this Agreement (the “**Affiliation**”).

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the sufficiency and receipt of which hereby are acknowledged, the Parties agree as follows:

ARTICLE 1

CHARITABLE OBJECTIVES

1.1 Deliberative Process. The boards of directors of CNE, MHRI Parent and MHRI, in keeping with their fiduciary duties to oversee their respective organizations' charitable assets, have engaged in a deliberative process to explore ways to effectively serve their communities. These discussions have culminated in the Parties' mutual desire to implement the Affiliation, with a goal of optimizing clinical services and health benefits, creating a strong and effective long-term relationship between the Parties and ensuring that both organizations' charitable missions are achieved over the long term.

1.2 Charitable Objectives. As a means of furthering their common mission, the Parties believe that it is in their mutual best interests to enter into this Agreement and, subject to the terms hereof, establish the Affiliation. In doing so, the Parties have identified the following charitable objectives which they hope will be realized therefrom:

- (a) Clinical excellence demonstrated by comprehensive and consistent quality across a range of services and procedures;
- (b) Improvement in the quality of clinical programs and services;
- (c) Patient access to a broader continuum of services over an expanded service area;
- (d) The creation of operational efficiencies designed to improve performance and reduce costs;
- (e) The maintenance of a strong academic and research platform that is essential to fostering clinical excellence and innovation;
- (f) The development and maintenance of an integrated delivery system in which patient care is coordinated across a full continuum of health care providers, thereby providing CNE and MHRI a foundation for responding to the promises and challenges of the federal health reform legislation;
- (g) The establishment of a "best practices" governance structure which will enable the CNE System to respond nimbly to industry changes, while affording MHRI the same benefits of other entities in the CNE System;
- (h) The enhancement of physician recruitment, retention, and integration initiatives;

(i) The improvement of facilities, equipment, and information technology platforms;

(j) The achievement of “employer of choice” status, ensuring that CNE’s and MHRI’s employees have opportunities to attain their professional goals in a supportive work environment;

(k) The enhancement of the CNE System’s and MHRI’s charitable foundations’ ability to achieve their objectives in the most efficient and effective manner possible;

(l) The responsible stewardship of charitable assets, ensuring that CNE and MHRI collectively will maintain a strong financial profile to enable them to achieve their charitable objectives long into the future; and

(m) The continuation of charity care delivered to the communities that MHRI serves, including, but not limited to, the Blackstone Valley community.

ARTICLE 2

AFFILIATION IMPLEMENTATION

In order to consummate the Affiliation and to achieve the charitable objectives set forth in Article 1, the Parties agree that, on the Closing Date (as such term is defined in Section 9.1), subject to the terms and conditions set forth in this Agreement, the Parties shall take the following actions: (i) MHRI Parent shall amend its organizational documents and shall cause the MHRI Affiliates to amend their respective organizational documents to reflect the changes described in Article 3; (ii) CNE shall amend its organizational documents to reflect the changes described in Article 3; and (iii) the Parties each shall cause their respective affiliates to appoint board members to the appropriate boards, as described in Article 3.

ARTICLE 3

AMENDMENT OF ORGANIZATIONAL DOCUMENTS

3.1 MHRI Parent.

(a) **Amendment of Articles of Incorporation of MHRI Parent.** Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI Parent shall amend its articles of incorporation to provide as follows:

(i) MHRI Parent shall name CNE as its sole corporate member; and

(ii) MHRI Parent’s powers shall be exercised, its business and affairs conducted, and its property managed by its board of trustees, except as otherwise provided by the laws of the State of Rhode Island, its governing documents, and this Agreement.

Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI Parent shall also amend the articles of organization or incorporation, as applicable, of the MHRI Affiliates, if necessary, to ensure that CNE will have the same direct and indirect reserved powers over the MHRI Affiliates as CNE has with respect to its other affiliates.

(b) Amendment of the MHRI Parent Bylaws. Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI Parent shall amend its bylaws in a form mutually acceptable to the Parties to provide as follows:

(i) To include the provisions of Section 3.1(a)(i) through Section 3.1(a)(ii);

(ii) The members of the MHRI Parent Board of Trustees shall be comprised of the individuals who from time to time serve as the members of the CNE Board of Directors (the “**CNE Board**”);

(iii) MHRI Parent’s officers shall be identical to the CNE officers; and

(iv) The MHRI Parent Board of Trustees shall be subject to CNE’s Conflicts of Interest and Confidentiality Policy, as may be amended from time to time.

3.2 MHRI.

(a) Amendment of Articles of Incorporation of MHRI. Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI shall amend its articles of incorporation to the extent necessary to consummate the Affiliation and to ensure that CNE will have the same direct and indirect reserved powers over MHRI’s Affiliates as CNE has with respect to its other affiliates.

(b) Amendment of the MHRI Bylaws. Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI shall amend its bylaws in a form mutually acceptable to the Parties to provide as follows:

(i) To include the provision in Section 3.2(a);

(ii) The members of the MHRI Board of Trustees shall be comprised of the individuals who from time to time serve as the members of the CNE Board;

(iii) MHRI’s board officers shall be identical to the CNE Board officers; and

(iv) The MHRI Board of Trustees shall have a Quality Committee and shall designate such other committees to serve at its pleasure and to have such powers and perform such functions as the MHRI Board of Trustees may assign to them. All committee members (along with the Trustees and officers of MHRI) shall be subject to CNE’s Conflicts of Interest and Confidentiality Policy, as may be amended from time to time. As soon as feasible after the Closing, all committees shall adopt a committee charter which shall include the

purposes, duties and responsibilities and membership of such committee; provided, that such committee charter (and any amendments thereto) shall be subject to review by the CNE Governance and Nominating Committee and approval by the MHRI Board of Trustees.

3.3 Amendment of CNE Bylaws. Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, CNE shall amend its bylaws in a form mutually acceptable to the Parties to provide as follows:

(a) The size of the CNE Board shall be expanded to accommodate the Ex-Officio Director and the At-Large Directors (as such terms are defined in Section 4.1); and

(b) To include such other provisions as may be necessary to effect the appointment of the Ex-Officio Director and At-Large Directors, as contemplated by Section 4.1.

ARTICLE 4

MHRI NOMINEES TO CNE SYSTEM COMMITTEES

4.1 CNE Board.

(a) Effective as of the Closing Date, the President of the MHRI Medical Staff shall serve as an *ex-officio* voting member of the CNE Board (the "**Ex-Officio Director**") and shall continue to serve in such capacity as long as he or she remains the President of the MHRI Medical Staff. Each subsequent President of the MHRI Medical Staff shall serve as the Ex-Officio Director.

(b) On the Closing Date, CNE shall appoint to the CNE Board three (3) directors who were nominated by MHRI and reviewed and approved by CNE prior to the Closing Date (the "**At-Large Directors**"). The At-Large Directors shall serve on the CNE Board for terms commencing on the Closing Date and ending on the date of the first annual meeting of the CNE Board following the third (3rd) anniversary of the Closing Date, or until their earlier death, resignation or removal. If, during the period following the Closing Date and prior to such first annual meeting following the third (3rd) anniversary of the Closing Date, an At-Large Director dies, resigns or is removed from the CNE Board, his or her successor shall be appointed by the CNE Board from among the individuals who served on the MHRI Board of Trustees prior to the Closing Date. Such successor shall serve for the unexpired portion of his or her predecessor's existing term.

(c) The Ex-Officio Director and the At-Large Directors shall be subject to the same standards of conduct and board policies as all other directors serving on the CNE Board.

4.2 CNE System Committees. Effective as of the Closing Date, individuals who formerly served on the MHRI Board of Trustees or the MHRI Parent Board of Trustees shall be eligible to participate and shall be offered opportunities to serve on certain committees of the CNE Board and/or the committees of other entities within the CNE System (collectively, the "**CNE System Committees**"). All appointees to the CNE System Committees shall be based on individual interest, skills and experience and shall be subject to the approval of the CNE Board (and/or, if necessary, the approval of the governing board of the CNE System entity). The

foregoing individuals shall have the same terms, and shall be subject to the same term limits as other similarly-situated members of the applicable CNE System Committee. Each of the foregoing individuals also shall be subject to the same standards of conduct and policies as other individuals serving on the applicable CNE System Committee.

ARTICLE 5

FINANCIAL PROVISIONS

5.1 No Cash Consideration/Merger. The Closing of the Affiliation does not involve the exchange of cash or similar financial consideration; the merger or consolidation of any existing entities; the sale, purchase or lease of part or all of any hospital; nor the transfer of all or substantially all of the assets of any Party.

5.2 Capital Planning. Following the Closing Date, MHRI shall have access to the same capital pool and capital planning process as other hospitals in the CNE System.

5.3 Indebtedness.

(a) In addition to Section 5.3(b) below, as of the Closing Date or within a commercially reasonable period of time thereafter, CNE shall either: (i) take such actions as may be necessary to call, discharge and refinance the Hospital Financing Revenue Bonds (the Memorial Hospital Issue-Series 2003); or, alternatively, (ii) work with MHRI to seek the most effective credit group structure to support the mission and strategies of the Parties, which may include formation of a single obligated group (the “**Obligated Group**”), allowing the Parties to minimize costs, allocate risk and optimize the credit profiles of the CNE System, taking into account the most efficient borrowing structure and future plans of the Parties. The implementation of the Obligated Group structure will be dependent upon applicable requirements in existing debt instruments, market conditions, and current and anticipated commitments, as determined by CNE management and subject to applicable law.

(b) In connection with the evaluation of the credit group structure described in Section 5.3(a) above, if CNE determines it necessary to avoid any potential breach or default of any obligation of MHRI or the MHRI Affiliates, CNE shall fund any operating shortfall of MHRI or any of the MHRI Affiliates (whether in the form of cash, a line of credit provided by a third party or other means) for the period commencing on the Closing Date and ending on September 30, 2016 after giving effect to any integration planning options implemented by CNE, MHRI and the MHRI Affiliates.

ARTICLE 6

OPERATION OF MHRI

6.1 Clinical Services.

(a) As of the Closing Date, MHRI will be CNE System’s primary academic teaching base for Brown University with respect to family medicine and internal medicine (*i.e.*, primary care).

(b) As of the Closing Date, the individual then serving as MHRI's Chief of Family Medicine will be named the Executive Chief of Family Medicine for the CNE System.

(c) As soon as feasible after the Closing, MHRI's Chief of Internal Medicine will be named the Executive Chief of Internal Medicine for the CNE System.

(d) The Parties acknowledge the importance of maintaining a robust surgical practice at MHRI. In furtherance of this goal, CNE shall endeavor to implement the programs and system initiatives agreed upon by the Parties following the Closing Date.

6.2 Charitable Assets. Following the Closing Date, subject to the terms and conditions set forth in this Agreement, to the extent any property was given, devised, or bequeathed to MHRI for charitable, educational or religious purposes ("Gifts"):

(i) All ethical and legal considerations regarding Gifts to MHRI will be strictly honored;

(ii) All Gifts to MHRI will be used in accordance with documented donor intent; and

(iii) All Gifts to MHRI will be used solely to support the program specified by the donor(s).

Notwithstanding the foregoing, any funds which are held by MHRI on the Closing Date and designated as "Board Designated Funds" as indicated on Schedule 6.2 hereof shall, to the extent permitted by applicable laws, and to the extent not otherwise needed to provide for any operating budget shortfall of MHRI, be transferred to the MHRI Foundation (as defined in Article 12) after the MHRI Foundation has been formed and recognized as exempt pursuant to Section 501(c)(3) of the Code.

6.3 Charity Care. Following the Closing Date, the Parties shall endeavor to make charity care available to the communities that MHRI serves, including, but not limited to, the Blackstone Valley community, at a level comparable to the level of charity care provided by other similarly-situated entities within the CNE System, and in any event in accordance with applicable law, including but not limited to Rhode Island General Laws § 23-17-43 and § 23-17.14-15.

6.4 Branding. The MHRI Affiliates will retain their current names, and will be identified as "a CNE Affiliate."

6.5 Separate Employers. CNE, MHRI Parent and the MHRI Affiliates are separate and distinct employers, and nothing in this Agreement shall alter or affect their status as separate and distinct employers, nor shall it alter or affect relationships with bargaining units within their operations and labor relations within their organizations. CNE, MHRI and the MHRI Affiliates shall each: (i) retain control of labor relations within their organizations, and (ii) cooperate with one another to maintain the qualified status of their respective benefit plans. Nothing herein is intended to or shall be interpreted to extend automatically or by operation of law, the

representation rights of any labor organization representing employees of such bargaining unit (or any collective bargaining agreement covering such bargaining unit).

6.6 Management. Following the Closing Date, the Parties will work together to evaluate the integration of MHRI management within the CNE system.

6.7 Community Involvement. Following the Closing Date, the Parties will support other 501(c)(3) organizations located in the Blackstone Valley that MHRI and the MHRI Affiliates have traditionally supported in prior years (whether in the form of financial assistance or management expertise on a voluntary basis or encouraging volunteer support) at a level proportionate with the level provided by other similarly-situated entities within the CNE System, taking into account the relative levels of gross patient service revenue of each applicable entity.

6.8 Directors and Officers Liability Insurance. Following the Closing Date, CNE shall provide a directors and officers liability policy with respect to the directors and officers of MHRI Parent and MHRI (including but not limited to those positions and individuals identified in Section 10.3 hereof).

ARTICLE 7

MEDICAL STAFF

Following the Closing Date, the medical staff of MHRI shall remain independent, and the Parties shall evaluate best practices for credentialing and privileging at MHRI and each of the other CNE System hospitals and, where appropriate and desired, modify existing medical staff organizational materials from and after the Closing Date to reflect the best in contemporary practice.

ARTICLE 8

SYSTEM SERVICES

In recognition of the Parties' mutual desire to control costs and reduce potential exposure to liabilities, following the Closing Date, CNE shall provide MHRI Parent and the MHRI Affiliates, and MHRI Parent and the MHRI Affiliates shall accept from CNE, the same types of centralized corporate services (such as legal, compliance, risk management, human resources, and managed care contracting services) as CNE provides to other hospitals within the CNE System (the "**System Services**"); provided, however, that CNE may elect to implement the System Services over time to ensure that existing contractual obligations to third-party service providers are honored and to ensure smooth and seamless transition to the System Services. All System Services shall be provided in accordance with CNE's policies and procedures.

ARTICLE 9

CLOSING

9.1 Closing. Subject to the satisfaction or waiver by the appropriate Party of all the conditions precedent to Closing specified herein, the consummation of the Affiliation

contemplated by and described in this Agreement (the “Closing”) shall take place at 45 Willard Avenue, Providence, Rhode Island, at 10:00 a.m. local time, within seventy-two (72) hours following the satisfaction of the closing conditions set forth in Article 13 (the “Closing Date”), or a date mutually agreed upon by the Parties. Notwithstanding anything herein to the contrary, this Agreement may be terminated by either Party if the Closing Date shall not have taken place by September 30, 2013 (which date may be extended by mutual agreement of the Parties).

9.2 Closing Deliverables of MHRI Parent and MHRI. At the Closing, MHRI Parent and MHRI shall deliver to CNE the following documents:

(a) **Amended Articles of Incorporation.** Amended Articles of Incorporation of MHRI Parent and MHRI, and Amended Articles of Incorporation for MHRI Affiliates if necessary as described in Sections 3.1(a) and 3.2, in forms mutually acceptable to the Parties;

(b) **Amended Bylaws.** Amended bylaws of MHRI Parent and MHRI, and Amended bylaws for MHRI Affiliates if necessary to ensure that CNE will have the same direct and indirect reserved powers over MHRI’s Affiliates as CNE has with respect to its other affiliates;

(c) **President’s Certificate of MHRI Parent and MHRI.** A President’s Certificate of MHRI Parent and MHRI, dated as of the Closing Date, attesting to the accuracy of representations and warranties and the performance by MHRI Parent and MHRI of the covenants and the conditions precedent set forth in this Agreement;

(d) **Secretaries’ Certificates of MHRI Parent and MHRI.** A Secretary’s Certificate of MHRI Parent and MHRI, dated as of the Closing Date, certifying the due adoption and continued effectiveness of attached resolutions of MHRI Parent and MHRI approving: (i) the transactions contemplated by this Agreement; (ii) this Agreement and the Closing documents referred to herein; (iii) the amended articles of incorporation of MHRI Parent and MHRI as contemplated by this Agreement; (iv) the amended bylaws of MHRI Parent and MHRI as contemplated by this Agreement; and (v) the reconstitution of the boards of MHRI Parent and MHRI as contemplated by this Agreement;

(e) **Legal Opinion.** The legal opinion of Partridge Snow & Hahn LLP in a form mutually agreed upon by the Parties, opining as to: (i) the good standing of MHRI Parent and each MHRI Affiliate; and (ii) the fact that this Agreement and the documents contemplated hereby have been duly authorized and executed by MHRI Parent and MHRI;

(f) **Bond Consents.** Each of the consents, authorizations, orders and approvals set forth on Schedule 9.2(f) required to be obtained in connection with the Bonds;

(g) **Title Commitment.** A complete and accurate title commitment for the real estate parcels comprising MHRI’s main campus, demonstrating MHRI’s good and marketable title to those parcels;

(h) **Phase I Environmental Site Assessment Report.** A Phase I Environmental Site Assessment Report for the real estate parcels comprising MHRI’s main campus; and

(i) **Other Deliverables.** Such other instruments and documents as may be reasonably requested by CNE to carry out the transactions contemplated by this Agreement and to comply with its terms.

9.3 Closing Deliverables of CNE. At the Closing, CNE shall deliver to Memorial the following documents:

(a) **Amended Bylaws of CNE.** Amended bylaws of CNE;

(b) **President's Certificate of CNE.** A President's Certificate of CNE, dated as of the Closing Date, attesting to the accuracy of representations and warranties and the performance of the covenants and the conditions precedent set forth in this Agreement;

(c) **Secretary's Certificate of CNE.** A Secretary's Certificate of CNE, dated as of the Closing Date, certifying the due adoption and continued effectiveness of attached resolutions of CNE approving: (i) the transactions contemplated by this Agreement; (ii) this Agreement and the Closing documents referred to herein; (iii) the amended bylaws of CNE as contemplated by this Agreement; and (iv) the appointment of the Ex-Officio Director and the At-Large Directors to the CNE Board as contemplated by this Agreement; and

(d) **Other Deliverables.** Such other instruments and documents as may be reasonably requested by MHRI to carry out the transactions contemplated by this Agreement and to comply with its terms.

ARTICLE 10

REPRESENTATIONS AND WARRANTIES

10.1 Representations and Warranties of MHRI Parent and MHRI. MHRI Parent and MHRI represent and warrant to CNE as of the Execution Date and as of the Closing Date, as follows:

(a) **Due Organization.** MHRI Parent, MHRI, BH, and MHRI Physicians are Rhode Island non-profit corporations. PCCNE and PHO are Rhode Island corporations. Ancillary is a Rhode Island limited liability company. Ventures is a Massachusetts non-profit corporation. MHRI Parent and each MHRI Affiliate and the PHO is duly organized, validly existing and in good standing under the laws of its state of incorporation/organization, and has the corporate or limited liability company power and authority to own, operate or hold under lease its properties and assets and to carry on its business and operations as presently conducted. MHRI Parent and MHRI have caused true, complete and correct copies of the articles of incorporation, articles of organization, bylaws and operating agreements (as applicable) of MHRI Parent and each MHRI Affiliate and the PHO, as in effect as of the Execution Date, to be delivered to CNE.

(b) **Corporate Authorization; No Violation.** MHRI Parent and MHRI each have the full corporate power and authority to enter into, and to perform their respective obligations under this Agreement. The execution, delivery and performance of this Agreement by MHRI Parent and MHRI have been duly and properly authorized by proper corporate action

in accordance with applicable laws and their respective articles of incorporation and bylaws. This Agreement constitutes the lawful, valid and legally binding obligation of MHRI Parent and MHRI, enforceable against each of them in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights and by general equitable principles. The execution, delivery and performance of this Agreement will not: (i) violate or conflict with any material provision of, does not constitute a default or breach of any material contract, lease, agreement, indenture, mortgage, pledge, sublease, option, assignment, permit, license, approval or other commitment to which MHRI Parent, MHRI, an MHRI Affiliate or PHO is a party or is subject or by which MHRI Parent, MHRI, an MHRI Affiliate or PHO is bound, any judgment decree, order, writ or injunction of any court order or requesting authority; (ii) result in the acceleration or mandatory prepayment of any indebtedness of MHRI Parent, MHRI, an MHRI Affiliate or PHO; or (iii) result in the creation of any lien, charge, or encumbrance of any kind, the termination or acceleration of any indebtedness or other obligation of MHRI Parent, MHRI, a MHRI Affiliate or PHO. Except as set forth on Schedule 10.1(b), no approval, authorization, registration, consent, order or other action of or filing with any person, including any court, administrative agency or other governmental authority, is required (that has not been obtained) for the execution and delivery by MHRI Parent and MHRI of this Agreement or the consummation by MHRI Parent and the MHRI Affiliates of the transactions contemplated or required hereby.

(c) **Financial Statements.** MHRI Parent and MHRI have delivered to CNE true and correct copies of the audited consolidated financial statements of MHRI Parent and the MHRI Affiliates for the three (3) years ended September 30, 2009, September 30, 2010 and September 30, 2011 and interim financial statements for the twelve (12) months ended September 30, 2012 (the "**Balance Sheet Date**") (collectively, the "**Memorial Financial Statements**"). The Memorial Financial Statements were prepared from and are in accordance with the books and records of MHRI Parent and the MHRI Affiliate and present fairly and accurately the financial position of MHRI Parent and the MHRI Affiliates, and the results of their respective operations at the dates and for the periods indicated and have been prepared in conformity with generally accepted accounting principles, applied consistently for the periods specified, except for the interim financial statements which lack footnotes and year-end audit adjustments. Except as set forth on Schedule 10.1(c), MHRI Parent and the MHRI Affiliates have not made any material changes to their accounting methods or practices since the Balance Sheet Date. To their Knowledge, MHRI Parent and the MHRI Affiliates have no material liabilities or obligations, whether contingent or absolute, direct or indirect, or matured or unmatured, which are not shown or provided for in the most recent Memorial Financial Statements, except for (i) liabilities that have arisen since the Balance Sheet Date in the ordinary course of business or as contemplated by this Agreement or (ii) liabilities set forth on Schedule 10.1(c).

(d) **Interim Change.** Except as set forth on Schedule 10.1(d), from and after the Balance Sheet Date, there has not been: (i) any change in the financial condition, assets, liabilities, properties or results of operations of the business of MHRI Parent and the MHRI Affiliates which has had or could have a material adverse effect on the business of MHRI Parent and the MHRI Affiliates; (ii) any damage, destruction or loss, whether or not covered by insurance, which has had or could have, in the aggregate, a material adverse effect on the business of any of MHRI Parent and the MHRI Affiliates; (iii) any disposition by MHRI Parent

or any MHRI Affiliate of any property, rights or other assets owned by or employed in the business of MHRI Parent or the MHRI Affiliates except for dispositions in the usual and ordinary course of the business of MHRI Parent and the MHRI Affiliates; (iv) any amendment or termination of any Material Contract (as defined in Section 10.1(q)); and (v) any event or condition of any character which has had or could have a material adverse effect on the business of MHRI Parent or the MHRI Affiliates.

(e) Legal Proceedings. Except as disclosed on Schedule 10.1(e), none of MHRI Parent, the MHRI Affiliates or the PHO is engaged in, is a party to, or, to its Knowledge, has been threatened with any action, suit, proceeding, complaint, charge, hearing, investigation or arbitration or other method of settling disputes or disagreements that may materially and adversely affect its business or financial condition or questions the ability of MHRI Parent or MHRI to perform hereunder. Except as set forth on Schedule 10.1(e), MHRI Parent, the MHRI Affiliates and the PHO have not received any notice of any investigation, threatened or contemplated, by any federal, state or local governmental or regulatory agency, including investigations involving its business practices and policies, that could have, in the aggregate, a material adverse effect on their respective business. Schedule 10.1(e) also lists (a) all pending actions, suit, proceedings, complaints, charges, hearings, investigations and arbitrations or other method of settling disputes or disagreements that involve MHRI Parent, a MHRI Affiliate or PHO and (b) a claim of more than Five Hundred Thousand Dollars (\$500,000), a governmental violation or a Material Contract.

(f) Licenses, Permits and Approvals. MHRI Parent and each MHRI Affiliate holds all governmental licenses, permits, certificates, accreditations (including, but not limited to, accreditation from the Joint Commission), consents and approvals that are material to its business and operations (the “**Memorial Licenses and Permits**”), all of which are listed on Schedule 10.1(f), together with their expiration dates. Each Memorial License and Permit is current and valid. No notice from any governmental authority or accrediting body in respect to the revocation, termination, suspension or limitation of any Memorial License or Permit has been received, nor has any such action been proposed or, to the Knowledge of MHRI Parent and the MHRI Affiliates, threatened.

(g) Compliance with Law. MHRI Parent, each MHRI Affiliate and PHO is in compliance with all laws, regulations, ordinances, decrees and orders applicable to each of them that, if violated, would have a material adverse effect on the property, assets or current operations of MHRI Parent, each MHRI Affiliate or the PHO, or ability to consummate the Affiliation. Except as set forth on Schedule 10.1(g), without limiting the generality of the foregoing, MHRI Parent, each MHRI Affiliate and PHO is in material compliance with all health care regulatory laws, Environmental Laws and employment laws (the PHO does not have any employees.) None of MHRI Parent, the MHRI Affiliates, the PHO and, to the Knowledge of MHRI Parent, the MHRI Affiliates, and PHO, their respective employees has committed a violation of federal or state laws regulating health care fraud, including but not limited to the federal Anti-Kickback Law, 42 U.S.C. § 1320a-7b, the Stark I and II Laws, 42 U.S.C. § 1395nn, as amended, and the False Claims Act, 31 U.S.C. § 3729, et seq. MHRI Parent, the MHRI Affiliates and PHO (if applicable) are in compliance with the administrative simplification provisions required under the Health Insurance Portability and Accountability Act of 1996, including the electronic data interchange regulations and the health care privacy regulations, as

of the applicable effective dates for such requirements that, if violated, would, or is reasonably likely to, have a material adverse effect on the property, assets or current operations of MHRI Parent, each MHRI Affiliate or the PHO, or their respective ability to consummate the Affiliations. “**Environmental Laws**” as used herein shall mean any and all federal, state and local statutes and ordinances, and all rules and regulations promulgated thereunder, pertaining or relating to the identification, reporting, generation, manufacture, processing, distribution, use, treatment, storage, disposal, emission, discharge, release, transport or other handling of any pollutants, contaminants, chemicals, wastes, including medical wastes, radioactive materials, or other noxious or harmful substances or materials. Memorial has provided CNE true and correct copies of all environmental surveys listed on Schedule 10.1(g) and applicable to the properties of MHRI Parent and the MHRI Affiliates completed in the most recent five (5) years.

(h) Title to Properties and Assets.

(i) Schedule 10.1(h) sets forth an accurate, correct and complete list of each parcel of real property owned by any of MHRI Parent and the MHRI Affiliates (the “**Properties**”). Except as disclosed on Schedule 10.1(h), to its Knowledge MHRI Parent or the listed MHRI Affiliate has good, defensible and marketable title to all Properties, free and clear of all liens, mortgages, security interests, options, pledges, charges, covenants, conditions, restrictions and other encumbrances and claims of any kind or character whatsoever except for such restrictions and easements customarily granted or suffered to exist by owners of commercial real property which, individually or in the aggregate, would not be likely to materially detract from the value or interfere with the use of the properties for the purposes for which they are currently used. All such property has been maintained in good condition, ordinary wear and tear excepted.

(ii) Except as disclosed on Schedule 10.1(h), MHRI Parent, each MHRI Affiliate and the PHO has good, defensible and marketable title to all non-real property assets of every kind, character and description, tangible and intangible, used in the operation of MHRI Parent, the MHRI Affiliates and the PHO, free and clear of all liens, mortgages, security interests, options, pledges, charges, covenants, conditions, restrictions and other encumbrances and claims of any kind or character whatsoever.

(i) **Affiliates and Subsidiaries.** Except as disclosed on Schedule 10.1(i), none of MHRI Parent and the MHRI Affiliates is a shareholder, partner, or member of any corporation, partnership or other entity. The capitalization of the PHO is set forth on Schedule 10.1(i). All of the shares and membership interests of PCCNE and Ancillary (collectively, the “**For-Profit Affiliates**”) have been duly authorized, are validly issued, fully paid and non-assessable. Except as set forth on Schedule 10.1(i), there are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require MHRI Parent, a MHRI Affiliate, or a third party to issue, sell, or otherwise cause to become outstanding any of the shares or membership interests in the For-Profit Affiliates. Except as set forth on Schedule 10.1(i), there are no outstanding or authorized stock or unit appreciation, phantom stock, profit participation, or similar rights with respect to the For-Profit Affiliates. Except as set forth on Schedule 10.1(i), there are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the shares or membership interests of the For-Profit Affiliates.

(j) **Taxes.** MHRI Parent, each MHRI Affiliate and PHO has filed all federal, state and local tax returns required to be filed by it (all of which are true and correct in all material respects) and has duly paid or made provision for the payment of all taxes (including any interest or penalties and amounts due state unemployment authorities) that are due and payable to the appropriate tax authorities. MHRI Parent and each MHRI Affiliate has withheld proper and accurate amounts from its employees' compensation in compliance with all withholding and similar provisions of the Internal Revenue Code (the "**Code**"), including employee withholding and social security taxes, and all other applicable laws. No deficiencies for any of such taxes have been asserted or, to the Knowledge of MHRI Parent, the MHRI Affiliates and the PHO, threatened against any of MHRI Parent, the MHRI Affiliates and the PHO, and no audit on any such returns is currently under way, or to the Knowledge of MHRI Parent and MHRI, is threatened. There are no outstanding agreements by any of MHRI, the MHRI Affiliates or the PHO for the extension of time for the assessment of any such taxes. Neither MHRI Parent, nor any MHRI Affiliate or PHO has taken any action in respect of any federal, state or local taxes (including, without limitation, any withholdings required to be made in respect of employees) that may have an adverse impact upon it subsequent to Closing. There are no tax liens on any of the assets of MHRI Parent, MHRI Affiliates or PHO.

(k) **Tax Exempt Status.** MHRI Parent and MHRI are exempt organizations under Section 501(c)(3) of the Code, and are not "private foundations" within the meaning of Section 509(a) of the Code. The Internal Revenue Service (the "**Service**") has not taken, or to the Knowledge of MHRI Parent and MHRI proposed to take, any action to revoke the tax-exempt status of MHRI Parent or MHRI, and has not announced, or to the Knowledge of MHRI Parent and MHRI proposed to announce, that MHRI Parent or MHRI is a "private foundation" within the meaning of Section 509(a) of the Code. There has been no change in their respective organization or operations that could result in a loss of MHRI Parent's or MHRI's status as an organization described in Section 501(c)(3) of the Code or that could cause MHRI Parent, or MHRI to be treated as a "private foundation" within the meaning of Section 509(a) of the Code.

(l) **Insurance.** Schedule 10.1(l) sets forth an accurate, correct and complete list and summary description (including the name of the insurer, coverage, premium and expiration date) of all binders and policies of insurance (collectively, the "**Memorial Insurance**") maintained by any of MHRI Parent, the MHRI Affiliates and the PHO or in which any of MHRI Parent, the MHRI Affiliates and the PHO is a named insured. The Memorial Insurance has been issued under valid and enforceable policies or binders for the benefit of MHRI Parent, a MHRI Affiliate and/or the PHO, and all such policies or binders are in full force and effect and are in amounts and for risks, casualties and contingencies which are customarily insured against by enterprises in businesses similar to MHRI Parent, the MHRI Affiliates or the PHO. There are no pending or asserted claims against any Memorial Insurance as to which any insurer has denied liability. Except as set forth on Schedule 10.1(l), no notice of cancellation or nonrenewal with respect to, or material increase of premiums for, any Memorial Insurance has been received by MHRI Parent, a MHRI Affiliate or the PHO within twenty-four (24) months immediately preceding the Closing Date, and Memorial does not have Knowledge of a claim that could give rise to a notice of cancellation or nonrenewal or a material increase in premiums for any Memorial Insurance.

(m) Medicare, Medicaid and Other Reimbursement. Except as set forth on Schedule 10.1(m), neither MHRI Parent nor the MHRI Affiliates is engaged in termination proceedings as to its participation in Medicare or Medicaid or has received notice that its current participation in Medicare or Medicaid is subject to any contest, termination or suspension as a result of alleged violations or any noncompliance with participation requirements. MHRI Parent and each MHRI Affiliate meets the conditions for participation in the Medicare and Medicaid programs, and there are no pending or to the Knowledge of MHRI Parent or MHRI, threatened proceedings or investigations under such programs involving any of the foregoing except those set forth on Schedule 10.1(m). MHRI Parent and each MHRI Affiliate to the extent applicable, has previously furnished CNE with its Medicare and Medicaid cost reports for 2011 and those cost reports are materially complete and accurate for the periods indicated. All liabilities and contractual adjustments of MHRI Parent and each MHRI Affiliate under any third-party payor or reimbursement programs has been properly reflected and adequately reserved for in the Memorial Financial Statements or MHRI Affiliate Financial Statements.

(n) Medical Staff. MHRI Parent and MHRI have previously provided to CNE a true, correct and complete copy of the bylaws of the medical staff of MHRI (as approved by the Board of Trustees of MHRI on June 27, 2012). Except as set forth on Schedule 10.1(n), there are no pending or to the Knowledge of MHRI Parent and MHRI, threatened disputes with or investigations of members of, or applicants of, the medical staff of MHRI. All appeal bonds, if any, with respect to any medical staff member or applicant against whom an adverse action has been taken have expired. Schedule 10.1(n) sets forth a written description of all adverse actions taken against members of the medical staff of MHRI within the past three (3) years.

(o) Employees, Employee Benefit Plans and Labor Relations.

(i) Schedule 10.1(o) sets forth an accurate, correct and complete list and summary description of all “employee welfare benefit plans” (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)), “employee pension benefit plans” (as defined in Section 3(2) of ERISA), and all other employee benefit plans, programs and arrangements, whether funded or unfunded, qualified or nonqualified, that are maintained or contributed to by MHRI Parent, MHRI, and MHRI Affiliates for the benefit of any of its officers, employees or other persons (collectively, the “Benefit Plans”). MHRI Parent and MHRI have delivered to CNE accurate, correct and complete copies of the following, as applicable (i) each Benefit Plan document, (ii) the most recent annual report on Form 5500, if any, filed with the Service with respect to each Benefit Plan, (iii) each trust agreement and group annuity contract, if applicable, relating to each Benefit Plan, (iv) certified financial statements for Benefit Plans required to file Schedule H to Form 5500, if any, and actuarial statements, if any, relating to any Benefit Plan, (v) the summary plan description, if any, for each Benefit Plan, (vi) collective bargaining agreements or other such contracts, (vii) each determination letter, ruling letter or any outstanding ruling request on the tax-exempt status of any qualified Benefit Plan or any voluntary employees’ beneficiary association implementing a Benefit Plan, if any, (viii) except as previously disclosed to CNE in writing, any and all notices of any audit or investigation of a Benefit Plan that were given by the Internal Revenue Services, the PBGC or the Department of Labor to MHRI Parent or any MHRI Affiliate within the four (4) years preceding the date of this Agreement; and (ix) with respect to each employee welfare benefit plan providing health benefits subject to COBRA, sample correspondence to employees from

each such plan giving notice of their rights under Section 4980B of the Code and any other documents relating to such plan indicating compliance with Section 4980B. Neither the MHRI Parent nor any MHRI Affiliate is a sponsor or contributor to any employee benefit plan of any Joint Venture Affiliate.

(ii) Except as disclosed on Schedule 10.1(o), neither MHRI Parent nor any MHRI Affiliate maintains, contributed to or has any liability or potential liability under (or with respect to) any “defined benefit plan” (as defined in Section 3(35) of ERISA), or any “multiemployer plan” (as defined in Section 3(37) of ERISA). No assets of MHRI Parent or a MHRI Affiliate are subject to any filed lien (nor, to the Knowledge of MHRI, any lien arising by operation of statute), under ERISA or the Code regarding, relating to or resulting from the operation of a Benefit Plan.

(iii) All contributions to, and payments from, the Benefit Plans required to be made in accordance with the terms of the Benefit Plans and applicable law have been timely made. Except as disclosed on Schedule 10.1(p), no Benefit Plan is subject to the funding rules of Section 302 of ERISA or Section 412 of the Code.

(iv) All Benefit Plans (and all related trust agreements or annuity contracts or any funding instruments) comply currently, and have complied in the past, both as to form and operation, and have been administered in accordance with the provisions of ERISA, where applicable, and with the Code, where required in order to be tax-qualified under Section 401(a) of the Code, and all other applicable laws, rules and regulations. Except as disclosed on Schedule 10.1(o), the Benefit Plans that are pension benefit plans have received determination letters from the Service to the effect that such Benefit Plans are qualified and exempt from Federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and no such determination letter has been revoked, nor has revocation been, to the Knowledge of MHRI Parent and MHRI, threatened. MHRI Parent and MHRI have previously furnished CNE with all amendments to any such Benefit Plan since the date of its most recent determination letter or application therefor.

(v) All reports, returns and similar documents with respect to the Benefit Plans required to be filed with any government agency or distributed to any Benefit Plan participant have been duly and timely filed or distributed to the Knowledge of MHRI and MHRI Parent. To the Knowledge of MHRI and MHRI Parent, there are no investigations by any governmental agency, termination proceedings or other claims (except claims for benefits payable in the normal operation of the Benefit Plans), suits or proceedings against or involving any Benefit Plan or asserting any rights or claims to benefits under any Benefit Plan that could give rise to any material liability, nor are MHRI or MHRI Parent aware of any facts that could give rise to any material liability in the event of any such investigation, claim, suit or proceeding.

(vi) Each Benefit Plan that is subject to the health care continuation requirements of Part 6 of Subtitle I of ERISA or Section 4980B of the Code (“**COBRA**”) has been administered in material compliance with such requirements. Except as disclosed on Schedule 10.1(o), no Benefit Plan provides medical benefits to any current or future retired or terminated employee (or any dependent thereof) of MHRI Parent or a MHRI Affiliate, other than as required pursuant to COBRA.

(vii) Neither MHRI nor MHRI Parent has Knowledge that any “prohibited transaction” (as defined in Section 4975 of the Code or Section 406 of ERISA) has occurred that involves the assets of any Benefit Plan and that could subject MHRI Parent or a MHRI Affiliate, or any of their respective employees, or a trustee, administrator or other fiduciary of any trusts created under any Benefit Plan to the tax or penalty on prohibited transactions imposed by Section 4975 of the Code or the sanctions imposed under Title I of ERISA, nor of any facts giving rise to a prohibited transaction with respect to the assets of a Benefit Plan. Except as set forth on Schedule 10.1(o), no Benefit Plan has been terminated.

(viii) Neither MHRI Parent nor any MHRI Affiliate has Knowledge of any liability with respect to any Benefit Plan solely by reason of being treated as a single employer under Section 414 of the Code with any trade, business or entity other than MHRI Parent or the MHRI Affiliates.

(ix) To the Knowledge of MHRI Parent and MHRI, each Benefit Plan that is a nonqualified deferred compensation plan (as defined in Code Section 409A(d)(1)) has been operated since January 1, 2005 in good faith compliance with Code Section 409A and the underlying Internal Revenue Service guidance and Department of Treasury Regulations.

(x) Except as set forth in Schedule 10.1(o), none of MHRI Parent or the MHRI Affiliates is a party to any labor contract, collective bargaining agreement, letter of understanding or any other arrangement, formal or informal, with any labor union or organization that obligates MHRI Parent or a MHRI Affiliate to compensate its employees at prevailing rates or union scale, nor are any of MHRI Parent’s or any MHRI Affiliate’s employees represented by any labor union or organization. Except as set forth in Schedule 10.1(o), there is no pending or threatened labor dispute, work stoppage, unfair labor practice complaint, strike, administrative or court proceeding or order related to any of the foregoing, between MHRI Parent or a MHRI Affiliate and any of their present or former employees (or a union), and MHRI Parent and MHRI have no Knowledge of a basis therefor. Except as set forth in Schedule 10.1(o), there is no pending threatened suit, action, investigation or claim between MHRI Parent or a MHRI Affiliate and any of their present or former employees (or a union), and MHRI Parent and MHRI have no Knowledge of a basis therefor. Except as set forth in Schedule 10.1(o), to MHRI Parent’s and MHRI’s Knowledge, there has not been any labor union organizing activity with respect to any union pertaining to MHRI Parent or a MHRI Affiliate or elsewhere with respect to employees of MHRI Parent or the MHRI Affiliates within the last three (3) years.

(p) **Defined Benefit Pension Plans.** Except as set forth in Schedule 10.1(p):

(i) MHRI Parent and MHRI have paid, if applicable, all amounts due to the Pension Benefit Guaranty Corporation (“PBGC”) pursuant to ERISA § 4007.

(ii) No amendment not previously provided to CNE has been made, or is reasonably expected to be made, to any Benefit Plan that has required or could require the provision of security under Section 401(a)(29) of the Code.

(iii) No accumulated funding deficiency, whether or not waived, exists with respect to any Benefit Plan; no event has occurred or circumstance exists that may result in an accumulated funding deficiency as of the last day of the current plan year of any such Benefit Plan.

(iv) The actuarial report for any pension plan pursuant to which MHRI Parent, MHRI, or any ERISA Affiliate participated, fairly presents the financial condition and the results of operations of each such pension plan in accordance with generally accepted accounting principles. "ERISA Affiliate" means, with respect to MHRI Parent or MHRI, any other entity that, together with MHRI Parent or MHRI, would be treated as a single employer under Section 414 of the Code.

(v) Since the last valuation date for each pension plan pursuant to which MHRI Parent, MHRI, or any ERISA Affiliate participated, no event has occurred or circumstance exists that would increase the amount of benefits under any such pension plan or that would cause the excess of pension plan assets over benefit liabilities (as defined in ERISA § 4001) to decrease, or the amount by which benefit liabilities exceed assets to increase, other than the normal market fluctuation of the investments from time to time.

(vi) No reportable event (as defined in ERISA § 4043 and in regulations issued thereunder) has occurred.

(vii) To the Knowledge of MHRI Parent and MHRI, there is no fact or circumstance that may give rise to any liability of MHRI Parent, MHRI, or any ERISA Affiliate to the PBGC under Title IV of ERISA.

(q) **Material Contracts.** To the Knowledge of MHRI Parent and MHRI, none of MHRI Parent, the MHRI Affiliates and the PHO is in breach or default under any material term or provision of any Material Contract to which it is a party or by which it is bound, nor, to the Knowledge of MHRI Parent and MHRI, is any other party thereto in breach or default thereunder. To the Knowledge of MHRI Parent and MHRI, none of the transactions contemplated by this Agreement creates in any party to any such Material Contract the right to revise the terms of, to terminate, to accelerate any obligation, or otherwise to declare that such Material Contract has been breached. MHRI Parent and MHRI have delivered or made available to CNE true and complete copies of all Material Contracts and all such Material Contracts are in full force and effect and are valid and enforceable obligations of MHRI Parent, a MHRI Affiliate or the PHO except as enforceability maybe limited by bankruptcy, insolvency, or other laws of general application affecting the enforcement of creditors' rights and by general equitable principles. The term "**Material Contracts**," shall mean any of the following agreements to which MHRI Parent, a MHRI Affiliate or the PHO is a party or by which any of their respective properties is bound and which, as of the Execution Date, remains executory in whole or in part:

(i) Each partnership, joint venture, limited liability company or cost-sharing agreement listed on Schedule 10.1(q);

(ii) Each guarantee;

(iii) Each instrument, agreement or other obligation evidencing indebtedness in an initial face amount greater than One Hundred Thousand Dollars (\$100,000);

(iv) Each contract materially affecting ownership of, title to, use of or any interest in real estate, including any leases;

(v) Each agreement with a physician, physician organization or related party;

(vi) Each agreement for the acquisition, lease or provision of services, supplies, equipment, inventory, fixtures, or other property involving more than One Hundred Thousand Dollars (\$100,000);

(vii) Each agreement with a term equal to or greater than one (1) year;

(viii) Each payor agreement and each agreement with a health maintenance organizations, preferred provider organization, accountable care organization, or other alternative delivery system;

(ix) Each employment contract with individual employees or agents;

(x) Each equipment lease for an amount greater than One Hundred Thousand Dollars (\$100,000) or for a term equal to or greater than one (1) year;

(xi) Each equipment maintenance agreement for an amount greater than One Hundred Thousand Dollars (\$100,000) or for a term equal to or greater than one (1) year;

(xii) Each agreement with municipalities;

(xiii) Each patent licensing agreement or any other agreement, license, or commitment with respect to patents, patent applications, trademarks, trade names, service marks, technical assistance, copyrights, or other like terms for an amount greater than One Hundred Thousand Dollars (\$100,000) or for a term equal to or greater than one (1) year;

(xiv) Each contract or commitment providing for payments based in any manner on the revenues or profits of MHRI Parent, the MHRI Affiliates or the PHO;

(xv) Each agreement, license, or commitment relating to data processing programs, software, or source codes utilized in connection with MHRI Parent, the MHRI Affiliates or the PHO;

(xvi) Each contract or commitment, whether in the ordinary course of business or not, which involve future payments, performance of services or delivery of goods or material, to or by MHRI Parent, any MHRI Affiliate or the PHO of any amount or value in excess of One Hundred Thousand Dollars (\$100,000); and

(xvii) Each collective bargaining agreement to or with any labor unions, labor organizations, or other employee representatives or groups of employees.

(r) **Hill-Burton and Other Liens.** To the Knowledge of MHRI Parent and MHRI, none of MHRI Parent or the MHRI Affiliates, and any of their predecessors have received any loans, grants or loan guarantees pursuant to the Hill-Burton Act program, the Health Professions Educational Assistance Act, the Nurse Training Act, the National Health Planning and Resources Development Act, and the Community Mental Health Centers Act, as amended, or similar laws or acts relating to health care facilities. To the Knowledge of MHRI Parent and MHRI, the transactions contemplated hereby will not result in any obligation on CNE or any of its affiliates to repay any of such loans, grants or loan guarantees, nor subject MHRI Parent or the MHRI Affiliates to any lien, restriction or obligation, including any requirement to provide uncompensated care.

(s) **Intellectual Property; Computer Software.** No proceedings are pending or, to the Knowledge of MHRI Parent or MHRI, threatened that challenge the validity of the ownership by MHRI Parent, the MHRI Affiliates or the PHO of their respective trademarks, service marks, trade names, patents, copyrights, inventions, processes and applications therefor (whether registered or common law) currently owned or used by MHRI Parent, the MHRI Affiliates or the PHO (the "**Intellectual Property**"). MHRI Parent, the MHRI Affiliates and the PHO have not licensed anyone to use such Intellectual Property and neither MHRI Parent nor MHRI have Knowledge of the use or the infringement of any such Intellectual Property by any other person. MHRI Parent, each of the MHRI Affiliates and the PHO own (or possess adequate and enforceable licenses or other rights to use) all Intellectual Property and all computer software programs and similar systems used in the conduct of its business.

(t) **Experimental Procedures.** During the past five (5) years, none of MHRI Parent and the MHRI Affiliates has performed or permitted the performance of any experimental or research procedures or studies involving patients at MHRI or the MHRI Affiliates not authorized and conducted in accordance with the procedures of the institutional review board of MHRI.

(u) **Compliance Program.** MHRI Parent and MHRI have made available to CNE a copy of its current compliance program materials, including without limitation, all program descriptions, compliance officer and committee descriptions, ethics and risk area policy materials, training and education materials, auditing and monitoring protocols, reporting mechanisms, and disciplinary policies. Except as set forth on Schedule 10.1(u), MHRI Parent, the MHRI Affiliates and the PHO: (i) are not a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services; (ii) have no reporting obligations pursuant to any settlement agreement entered into with any governmental entity; (iii) have not been the subject of any government payer program investigation conducted by any federal or state enforcement agency; (iv) have not been a defendant in any *qui tam*/False Claims Act litigation; (v) have not been served with or received any search warrant, subpoena, civil investigative demand, contact letter, or telephone or personal contact by or from any federal or state enforcement agency (except in connection with medical services provided to third-parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the health care businesses conducted by MHRI Parent, the MHRI Affiliates and the PHO); and

(vi) have not received any complaints from employees, independent contractors, vendors, physicians, or any other person that assert that MHRI Parent, any MHRI Affiliate or the PHO has violated any law or regulation. For purposes of this Agreement, the term “compliance program” refers to provider programs of the type described in the compliance guidance published by the Office of Inspector General of the Department of Health and Human Services.

(v) **Bonds.** Schedule 10.I(v) sets forth all tax-exempt bond indebtedness issued for the benefit of MHRI Parent and/or the MHRI Affiliates (the “**Bonds**”). MHRI Parent and the MHRI Affiliates have not taken any action, nor omitted to take any action, which would cause the interest on the Bonds to be includible in the gross income of the owners thereof for federal income tax purposes.

(w) **Disclosure; No Material Omissions.**

(i) The representations and warranties of MHRI Parent and MHRI contained in this Agreement (including each exhibit, certificate or other written statement delivered pursuant to this Agreement) are accurate, correct and complete.

(ii) To their Knowledge, MHRI Parent and MHRI have responded in all material respects to CNE’s requests for information and documentation as part of CNE’s due diligence review of the business, operations, assets and liabilities of MHRI Parent, the MHRI Affiliates and the Joint Venture Affiliates. MHRI Parent and MHRI have not knowingly omitted any material information relating to the businesses, operations, assets or liabilities of MHRI Parent, the MHRI Affiliates or the Joint Venture Affiliates in its responses to CNE’s requests. None of MHRI Parent, the MHRI Affiliates and the Joint Venture Affiliates has received any material information which would render untrue or misleading any information previously disclosed to CNE during its due diligence review.

(x) **Survival.** None of the representations and warranties contained in this Section 10.1 shall survive the Closing.

10.2 Representations and Warranties of CNE. CNE represents and warrants to Memorial as of the Effective Date and of the Closing Date, as follows:

(a) **Due Organization.** CNE is a Rhode Island non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Rhode Island, and has the corporate power and authority to own, operate or hold under lease its properties and assets and to carry on its business and operations as presently conducted. CNE has caused true, complete and correct copies of its articles of incorporation and bylaws, as in effect as of the Execution Date, to be delivered or otherwise made available to MHRI Parent and MHRI.

(b) **Corporate Authorization; No Violation.** CNE has the full corporate power and authority to enter into, and to perform its obligations under, this Agreement. The execution, delivery and performance of this Agreement by CNE have been duly and properly authorized by proper corporate action in accordance with applicable laws, its articles of incorporation, as amended to the Effective Date, and its bylaws, as amended to the Effective Date. This Agreement constitutes the lawful, valid and legally binding obligation of CNE, enforceable against it in accordance with its terms, except as enforceability may be limited by

bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights and by general equitable principles. The execution, delivery and performance under this Agreement in accordance with its terms by CNE has not and will not: (i) violate or conflict with any material provision of, does not constitute a default or breach of any material contract, lease, agreement, indenture, mortgage, pledge, sublease, option, assignment, permit, license, approval or other commitment to which CNE is a party or is subject or by which CNE is bound, any judgment decree, order, writ or injunction of any court order or requesting authority; (ii) violate or constitute a default under any law, statute, code, regulation, agreement, or other requirement of any governmental authority; or (iii) result in the acceleration or mandatory prepayment of any indebtedness of CNE.

(c) **Financial Statements.** CNE has delivered to Memorial true and correct copies of the audited financial statements of CNE for the three (3) years ended September 30, 2009, September 30, 2010 and September 30, 2011 and interim financial statements for the twelve (12) months ended September 30, 2012 (the "**CNE Balance Sheet Date**") (collectively, the "**CNE Financial Statements**"). The CNE Financial Statements are complete, true and correct in all material respects, present fairly and accurately the financial position of CNE and the results of its operations at the dates and for the periods indicated and have been prepared in conformity with generally accepted accounting principles, applied consistently for the periods specified, except for the interim statements which lack footnotes and year-end audit adjustments. Except as set forth on Schedule 10.2(c), CNE has not made any material changes to its accounting methods or practices since the CNE Balance Sheet Date. CNE has no material liabilities or obligations, whether contingent or absolute, direct or indirect, or matured or unmatured, that are not shown or provided for in the most recent CNE Financial Statements.

(d) **Interim Change.** Except as set forth on Schedule 10.2(d), from and after the CNE Balance Sheet Date, there has not been: (i) any change in the financial condition, assets, liabilities, properties or results of operation of the business of CNE that has had in the aggregate, a material adverse effect on the ability of CNE to consummate the Affiliation; (ii) any damage, destruction or loss, whether or not covered by insurance, that has had, in the aggregate, a material adverse effect on the ability of CNE to consummate the Affiliation; (iii) any disposition by CNE of any property, rights or other assets owned by or employed in the business of CNE, except for dispositions in the usual and ordinary course of the business of CNE and dispositions that do not materially adversely effect the ability of CNE to consummate the Affiliation; (iv) any material amendment or termination of any material contract of CNE that has had or could have a material adverse effect on the business of CNE; and (v) any event or condition of any character which has had, in the aggregate, a material adverse effect on the ability of CNE to consummate the Affiliation.

(e) **Legal Proceedings.** Except as disclosed on Schedule 10.2(e), CNE is not engaged in, is not a party to, nor, to its Knowledge, has been threatened with any action, suit, proceeding, complaint, charge, hearing, investigation or arbitration or other method of settling disputes or disagreements which may materially and adversely affect its ability to consummate the Affiliation. Except as set forth on Schedule 10.2(e), CNE has received no notice of any investigation, threatened or contemplated, by any federal, state or local governmental or regulatory agency, including investigations involving its business practices and policies, which had, in the aggregate, a material adverse effect on CNE's ability to consummate the Affiliation.

(f) **Licenses, Permits and Approvals.** CNE holds all governmental licenses, permits, certificates, accreditations (including, but not limited to, accreditation from the Joint Commission), consents and approvals that are material to its business and operations (the “**CNE Licenses and Permits**”), all of which are listed on Schedule 10.2(f), together with their expiration dates. Each CNE License and Permit is current and valid. No notice from any governmental authority or accrediting body in respect to the revocation, termination, suspension or limitation of any CNE License or Permit has been issued or given, nor has any such action been proposed or, to the Knowledge of CNE, threatened, and there is no basis for any such action.

(g) **Compliance with Law.** CNE is in compliance with all laws, regulations, ordinances, decrees and orders applicable to it, that if violated, would have a material adverse effect on the property, assets or current operations of CNE, or ability to consummate the Affiliation. Without limiting the generality of the foregoing, CNE is in material compliance with all health care regulatory laws, Environmental Laws and all employment laws. Neither CNE, nor, to CNE’s Knowledge, any of its respective employees has committed a material violation of federal or state laws regulating health care fraud, including but not limited to the federal Anti-Kickback Law, 42 U.S.C. § 1320a-7b, the Stark I and II Laws, 42 U.S.C. § 1395nn, as amended, and the False Claims Act, 31 U.S.C. § 3729, et seq which would materially and adversely effect its ability to consummate the Affiliation. CNE is in compliance with the administrative simplification provisions required under the Health Insurance Portability and Accountability Act of 1996, including the electronic data interchange regulations and the health care privacy regulations, as of the applicable effective dates for such requirements that, if violated, would, or is reasonably likely to, have a material adverse effect on the property, assets or current operations of CNE, or its ability to consummate the Affiliation.

(h) **Tax Exempt Status.** CNE is an exempt organization under Section 501(c)(3) of the Code, and is not a “private foundation” within the meaning of Section 509(a) of the Code. The Service has not taken, or to the Knowledge of CNE proposed to take, any action to revoke the tax-exempt status of CNE, and has not announced, or to the Knowledge of CNE proposed to announce, that CNE is a “private foundation” within the meaning of Section 509(a) of the Code. There is no change in the organization or operation of CNE which would result in a loss of CNE’s status as an organization described in Section 501(c)(3) of the Code or which could cause CNE to be treated as a “private foundation” within the meaning of Section 509(a) of the Code.

(i) **Medicare, Medicaid and Other Reimbursement.** Except as set forth on Schedule 10.2(i), CNE is not engaged in termination proceedings as to its participation in Medicare or Medicaid and has not received notice that its current participation in Medicare or Medicaid is subject to any contest, termination or suspension as a result of alleged violations or any noncompliance with participation requirements. CNE meets the conditions for participation in the Medicare and Medicaid programs, and there are no pending or to the Knowledge of CNE, threatened proceedings or investigations under such programs involving any of the foregoing. CNE has previously furnished MHRI Parent and MHRI with its Medicare and Medicaid cost reports for 2011. To the Knowledge of CNE, the cost reports are complete and accurate for the periods indicated. All liabilities and contractual adjustments of CNE under any third-party payor

or reimbursement programs has been properly reflected and adequately reserved for in the CNE Financial Statements.

(j) **Bonds.** Schedule 10.2(j) sets forth all tax-exempt bond indebtedness issued for CNE (the “CNE Bonds”). CNE has not taken any action, nor omitted to take any action, which would cause the interest on the CNE Bonds to be includible in the gross income of the owners thereof for federal income tax purposes.

(k) **Disclosure; No Material Omissions.**

(i) The representations and warranties of CNE contained in this Agreement, and each exhibit, certificate or other written statement delivered pursuant to this Agreement, are accurate, correct and complete.

(ii) CNE has responded in all material respects to Memorial’s requests for information and documentation as part of Memorial’s due diligence review of the business, operations, assets and liabilities of CNE. CNE has not knowingly omitted any material information relating to the businesses, operations, assets or liabilities of CNE in its responses to Memorial’s requests. CNE has not received any material information which would render untrue or misleading any information previously disclosed to Memorial during its due diligence review.

(l) **Survival.** None of the representations and warranties contained in this Section 10.2 shall survive the Closing.

10.3 Knowledge. “Knowledge” as used in this Article 10, shall mean (i) with respect to CNE, the actual knowledge of its President/CEO, Senior Vice President for Finance/CFO and Director of Compliance of a particular fact, circumstance or condition, after reasonable inquiry and investigation (including of subordinates), and (ii) with respect to MHRI Parent and MHRI, the actual knowledge of its Interim President/CEO (currently, Arthur DeBlois III), Senior Vice President Financial Services (currently, Michael Ryan), Senior Vice President of Business Development, Administration and Practice Operations (currently, Thomas Gough), Vice President Environmental and Support Services (currently, Thomas Ross) Senior Vice President Clinical Operations (currently, Shelley MacDonald), Director of Legal Affairs (currently, Joseph Cortellini), and Vice President of Human Resources (currently, Lisa Pratt) of a particular fact, circumstance or condition, after reasonable inquiry and investigation (including of subordinates).

ARTICLE 11

PRE-CLOSING COVENANTS

11.1 Pre-Closing Covenants of MHRI Parent and MHRI. MHRI Parent and MHRI hereby agree to keep, perform and fully discharge, and to cause the MHRI Affiliates and the PHO to keep, perform and fully discharge, the following covenants and agreements from the Execution Date until the Closing Date (or thereafter, as specifically noted below):

(a) **Interim Conduct of Business.** MHRI Parent and MHRI shall: (i) preserve, protect and maintain the business, properties and assets of MHRI Parent, each MHRI Affiliate and the PHO; (ii) operate the business of MHRI Parent and cause the businesses

of each MHRI Affiliate and the PHO to be operated consistent with prior practices and in the ordinary course of business; (iii) preserve the good will of all individuals having business or other relations with MHRI Parent, a MHRI Affiliate or the PHO, including physicians, employees, patients, customers and suppliers; and (iv) obtain all documents called for by this Agreement and required to facilitate the consummation of the transactions contemplated by this Agreement; (v) provide CNE promptly with interim financial statements for itself and each MHRI Affiliate, as and when they are available; and (vi) not, without providing to CNE prior written notification, (A) make any changes, or permit any changes to be made, in the governing documents of MHRI Parent, the MHRI Affiliates (other than with respect to Ventures to designate MHRI as its sole member) and the PHO, except for changes expressly authorized by this Agreement, or (B) enter into any transaction which could have a material adverse effect on the businesses of MHRI Parent, a MHRI Affiliate or the PHO, except for transactions expressly authorized by this Agreement.

(b) Preserve Accuracy of Representations and Warranties. MHRI Parent and MHRI shall not take any action that would render any representation or warranty contained in Section 10.1 inaccurate or untrue as of the Closing Date. MHRI Parent and MHRI shall promptly notify CNE of any lawsuits, claims, administrative actions or other proceedings asserted or commenced against MHRI Parent, any MHRI Affiliate, the PHO or any of their respective officers, trustees or members involving in any material way the businesses, properties or assets of MHRI Parent or a MHRI Affiliate. MHRI Parent and MHRI shall promptly notify CNE in writing of any facts or circumstances that comes to its attention and that causes, or through the passage of time may cause, any of the representations and warranties contained in Section 10.1 to be untrue or misleading at any time from the Execution Date until the Closing Date.

(c) Access to Information. MHRI Parent and MHRI shall give to CNE and/or to its representatives full and free access, during normal business hours, to all properties, books, records and contracts pertaining to the businesses, properties and assets of MHRI Parent, each MHRI Affiliate and the PHO, as may be reasonably requested with reasonable prior notice. MHRI Parent and MHRI shall cooperate in keeping CNE fully informed and shall promptly notify CNE of any unexpected emergency or other unanticipated adverse change in the normal course of business or prospects of the business of MHRI Parent, each MHRI Affiliate and the PHO.

(d) Maintenance of Books and Accounting Practices. MHRI Parent and MHRI shall: (i) maintain the books of account and records of MHRI Parent and MHRI and cause the books and records of account of each MHRI Affiliate and the PHO to be maintained in the usual, regular and ordinary manner in accordance with generally accepted accounting principles consistently applied and on a basis consistent with prior years, and (ii) make no material changes in its accounting methods or practices or cause any MHRI Affiliate or the PHO to make any material change in its accounting methods or practices.

(e) Compliance with Laws; Regulatory Consents. MHRI Parent and MHRI shall: (i) comply in all material respects with all applicable statutes, laws, ordinances and regulations; (ii) keep, hold and maintain all certificates, accreditations, licenses and other permits necessary for the conduct and operation of the business of MHRI Parent, each MHRI

Affiliate and the PHO; and (iii) use reasonable commercial efforts and cooperate fully with CNE to obtain all consents, approvals, exemptions and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or desirable on the part of MHRI Parent, each MHRI Affiliate and the PHO under all applicable laws and under all contracts, agreements and commitments to which MHRI Parent, each MHRI Affiliate and the PHO is a party or is bound in order to consummate the transactions contemplated or required by this Agreement.

(f) **No Merger or Consolidation.** None of MHRI Parent, the MHRI Affiliates and the PHO shall merge or consolidate with, or acquire (except in the ordinary course) any of the assets of, any other corporation, business or person.

(g) **Third Party Authorizations.** MHRI Parent and MHRI shall use commercially reasonable efforts to obtain expeditiously all consents, approvals and authorizations of third parties necessary for the valid execution, delivery and performance of this Agreement by them.

(h) **Confidentiality.** MHRI Parent and MHRI shall, and shall cause the MHRI Affiliates and the PHO and their respective agents, servants, employees and all other persons who will be allowed access to CNE's Confidential Information, and their representatives (the "**Memorial Representatives**") to hold in confidence all information regarding CNE obtained in connection with the negotiation and performance of this Agreement or its due diligence investigation of CNE, and shall not divulge to third parties or use in a manner detrimental to CNE such information. "**Confidential Information**" means all tangible and intangible information related in any way to the Affiliation or either Party's business and operations, now or hereafter furnished or made available by either Party in connection the evaluation of the Affiliation, including but not limited to analyses, business or strategic plans, compilations, draft agreements, financial statements, proposals, studies, patient revenue, gross charges, payor mix, market data, employment or compensation models or other information relating to the business of either Party or any of their corporate affiliates. "Confidential Information" also shall include the existence of the Affiliation and this Agreement, the terms or potential terms thereof, and the documents and instruments related thereto. Confidential Information shall not include information that is generally available to the public prior to its disclosure to the other Party, was available to the other Party on a non-confidential basis prior to the Affiliation, or was lawfully obtained from a third party who was not under an obligation to maintain the confidentiality of such information. MHRI Parent and MHRI shall, and shall cause the Memorial Representatives to: (i) keep, strictly confidential CNE's Confidential Information; (ii) use CNE's Confidential Information solely in connection with the Affiliation and for no other purpose; (iii) reveal CNE's Confidential Information only to those Memorial Representatives who need to know the Confidential Information for the purposes set forth above, have been informed of the confidential nature of the Confidential Information, and have agreed to maintain the confidentiality of the Confidential Information. MHRI Parent and MHRI agree to be responsible for the acts and omissions of the Memorial Representatives. If MHRI Parent, MHRI or their corporate affiliates or Memorial Representatives are requested or required (by oral questions, written interrogatories, requests for information or documents, subpoena, civil investigatory demands or similar process) to disclose any of CNE's Confidential Information, it shall provide CNE with immediate notice of such request or requirement so that CNE may seek

an appropriate protective order or selectively waive compliance with the provisions of this Agreement. Further, if in the absence of a protective order or receipt of a waiver hereunder, MHRI Parent, the MHRI Affiliates or the PHO or Memorial Representatives is nonetheless, in the opinion of its counsel, compelled to disclose any of CNE's Confidential Information to any tribunal or agency, or else stand liable for contempt or suffer other censure or penalty, MHRI Parent, the MHRI Affiliates and the PHO, and the Memorial Representatives may disclose the minimum amount of Confidential Information that is necessary to prevent them from being held liable for contempt of court or similar censure. In such event, MHRI Parent, the MHRI Affiliates and the PHO shall have no liability hereunder for the disclosure of such Confidential Information unless such disclosure was caused by or resulted from a previous disclosure by it or any of its Memorial Representatives in breach of this Agreement. MHRI Parent and MHRI are obligated to return all documents, notes, memoranda, other materials containing CNE's Confidential Information and all copies to CNE upon expiration of the Affiliation, or at any time upon written request from CNE. MHRI Parent and MHRI acknowledge that there is not an adequate remedy at law for the breach of this Section 11.1(h) and that, in addition to any other remedies available, CNE shall be entitled to preliminary and permanent injunctive relief either pending or following a trial on the merits, together with any other remedies that may be available in law or in equity, without being required to post bond or other security. Such action will not be considered an election of remedies or a waiver of any right by CNE to assert any other remedy or remedies it may have at law or in equity. The provisions of this Section 11.1(h) shall survive any termination of this Agreement.

(i) **Performance of Undertakings.** MHRI Parent and MHRI shall perform faithfully at all times any and all covenants, undertakings, stipulations and provisions applicable to it contained in this Agreement and in any and every document executed, authenticated and delivered hereunder. MHRI Parent and MHRI shall use reasonable commercial efforts to consummate the transactions contemplated by this Agreement and shall not take any other action inconsistent with the obligations hereunder or which could hinder or delay the consummation of the transactions contemplated or required hereby.

(j) **Exclusivity.** Unless this Agreement has been terminated pursuant to Article 14 hereof, in light of the significant dedication of time and resources required by the Parties to evaluate the Affiliation, MHRI Parent and MHRI agree that MHRI Parent, the MHRI Affiliates and the Memorial Representatives shall not, without the prior written consent of CNE, explore, meet, discuss, negotiate, directly or indirectly, or enter into an agreement with any third party for the purpose of discussing, organizing, formulating, designing, developing, investing in or implementing an arrangement that could lead to a change in control, sale of equity, lease of assets, sale of assets, joint operating agreement/joint operating company, merger, consolidation, liquidation or any other type of transaction similar to the Affiliation contemplated by this Agreement.

(k) **Insurance.** Each of MHRI Parent and MHRI shall maintain policies of fire and casualty, professional liability and other forms of insurance in such amounts, with such deductibles and against such risks and losses as are reasonable for its business, assets and properties.

11.2 Pre-Closing Covenants of CNE. CNE hereby agrees to keep, perform and fully discharge the following covenants and agreements from the Execution Date until the Closing Date (or thereafter, as specifically noted below):

(a) **Preserve Accuracy of Representations and Warranties.** CNE shall not take any action that would render any representation or warranty contained in Section 10.2 inaccurate or untrue as of the Closing Date. CNE shall promptly notify MHRI Parent and MHRI of any lawsuits, claims, administrative actions or other proceedings asserted or commenced against CNE or any of its officers, trustees or members involving in any material way the businesses, properties or assets of CNE. CNE shall promptly notify MHRI Parent and MHRI in writing of any facts or circumstances that come to its attention and that causes, or through the passage of time may cause, any of the representations and warranties contained in Section 10.2 to be untrue or misleading at any time from the Execution Date until the Closing Date.

(b) **Access to Information.** CNE shall give to MHRI Parent and MHRI and to its representatives full and free access, during normal business hours, to all properties, books, records and contracts pertaining to the businesses, properties and assets of CNE, as may be reasonably requested with reasonable prior notice. CNE shall cooperate in keeping MHRI Parent and MHRI fully informed and shall promptly notify Memorial of any unexpected emergency or other unanticipated adverse change in the normal course of business or prospects of the business of CNE.

(c) **Compliance with Laws: Regulatory Consents.** CNE shall: (i) comply in all material respects with all applicable statutes, laws, ordinances and regulations; (ii) keep, hold and maintain all certificates, accreditations, licenses and other permits necessary for the conduct and operation of the business of CNE; and (iii) use reasonable commercial efforts and cooperate fully with MHRI Parent and MHRI to obtain all consents, approvals, exemptions and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or desirable on the part of CNE under all applicable laws and under all contracts, agreements and commitments to which CNE is a party or is bound in order to consummate the transactions contemplated or required by this Agreement.

(d) **Third Party Authorizations.** CNE shall use commercially reasonable efforts to obtain expeditiously all consents, approvals and authorizations of third parties necessary for the valid execution, delivery and performance of this Agreement by CNE.

(e) **Confidentiality.** CNE shall, and shall cause its agents, servants, employees and all other persons who will be allowed access to MHRI Parent's and MHRI's Confidential Information (the "**CNE Representatives**") to hold in confidence all information regarding MHRI Parent, the MHRI Affiliates and the Joint Venture Affiliates obtained in connection with the negotiation and performance of this Agreement or its due diligence investigation of them, and shall not divulge to third parties or use in a manner detrimental to them such information. CNE shall, and shall cause the CNE Representatives to: (i) keep, strictly confidential Confidential Information; (ii) use such Confidential Information solely in connection with the Affiliation and for no other purpose; (iii) reveal such Confidential Information only to those CNE Representatives who need to know the Confidential Information for the purposes set forth above, have been informed of the confidential nature of the

Confidential Information, and have agreed to maintain the confidentiality of the Confidential Information. CNE agrees to be responsible for the acts and omissions of the CNE Representatives. If CNE or its corporate affiliates or Representatives are requested or required (by oral questions, written interrogatories, requests for information or documents, subpoena, civil investigatory demands or similar process) to disclose any of such Confidential Information, it shall provide MHRI Parent and MHRI with immediate notice of such request or requirement so that they may seek an appropriate protective order or selectively waive compliance with the provisions of this Agreement. Further, if in the absence of a protective order or receipt of a waiver hereunder, CNE or any of its corporate affiliates or CNE Representatives is nonetheless, in the opinion of its counsel, compelled to disclose any of the Confidential Information to any tribunal or agency, or else stand liable for contempt or suffer other censure or penalty, CNE's affiliate or CNE Representative may disclose the minimum amount of Confidential Information that is necessary to prevent CNE from being held liable for contempt of court or similar censure. In such event, CNE shall have no liability hereunder for the disclosure of such Confidential Information unless such disclosure was caused by or resulted from a previous disclosure by it or any of its Representatives in breach of this Agreement. CNE is obligated to return all documents, notes, memoranda, other materials containing such Confidential Information and all copies to CNE upon expiration of the Affiliation, or at any time upon written request from MHRI Parent and MHRI. CNE acknowledges that there is not an adequate remedy at law for the breach of this Section 11.2(e) and that, in addition to any other remedies available, MHRI Parent and MHRI shall be entitled to preliminary and permanent injunctive relief either pending or following a trial on the merits, together with any other remedies that may be available in law or in equity, without being required to post bond or other security. Such action will not be considered an election of remedies or a waiver of any right by MHRI Parent and MHRI to assert any other remedy or remedies they may have at law or in equity. The provisions of this Section 11.2(e) shall survive any termination of this Agreement.

(f) **Performance of Undertakings.** CNE shall perform faithfully at all times any and all covenants, undertakings, stipulations and provisions applicable to it contained in this Agreement and in any and every document executed, authenticated and delivered hereunder. CNE shall use its reasonable commercial efforts to consummate the transactions contemplated by this Agreement and shall not take any other action inconsistent with its obligations hereunder or which would prevent the consummation of the transactions contemplated or required hereby.

(g) **Exclusivity.** Unless the Agreement has been terminated pursuant to Article 14 hereof, except for the Affiliation, CNE will not commit to any acquisition that would prevent CNE from consummating the Affiliation.

ARTICLE 12

ESTABLISHMENT OF MHRI FOUNDATION

Following the Closing Date, CNE shall incorporate a Rhode Island non-profit corporation whose sole member is MHRI (the "**MHRI Foundation**"). CNE shall seek a determination from the Service that the MHRI Foundation is an entity that is recognized as exempt pursuant to Section 501(c)(3) of the Code. Following its incorporation, the MHRI Foundation shall act as the primary fund-raising entity for MHRI. The members of the MHRI

Foundation board of directors shall be elected by MHRI upon recommendation of the CNE Governance and Nominating Committee. For the first three (3) years of its existence, at least fifty-one percent (51%) of the directors serving on the MHRI Foundation board shall have been MHRI trustees prior to Closing.

ARTICLE 13

CONDITIONS PRECEDENT

13.1 Conditions Precedent to the Obligations of CNE. The obligations of CNE to consummate the transactions contemplated by this Agreement are, at the option of CNE, subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

(a) **Accuracy of Warranties; Performance of Covenants.** Except for changes or developments expressly permitted or contemplated by the express terms of this Agreement, the representations and warranties of MHRI Parent and MHRI contained in Section 10.1 shall be true and accurate as if made on and as of the Closing Date. MHRI Parent and MHRI shall have performed all of the obligations and complied with all of the covenants, agreements and conditions applicable to it required to be performed or complied with by it on or prior to the Closing Date.

(b) **Delivery of Closing Deliverables.** MHRI Parent and MHRI shall have delivered to CNE all of the Closing deliverables set forth in Section 9.2.

(c) **No Pending Action.** No action or proceeding before any court or governmental body will be pending or threatened wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded.

(d) **Regulatory Approvals; Expiration of Waiting Periods.** All material consents, authorizations, orders and approvals of (or filings or registrations with) any governmental entity or other party required in connection with the execution, delivery and performance of this Agreement shall have been obtained or made by MHRI Parent and MHRI when so required, except for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date.

(e) **Consents.** All consents, approvals and authorizations of third parties required for the consummation of the transactions contemplated by this Agreement shall have been obtained on or before the Closing Date.

(f) **Due Diligence.** CNE shall have completed its due diligence investigation of MHRI Parent, each MHRI Affiliate and each Joint Venture Affiliate, and the investigation from the Execution Date to the Closing Date has not, in CNE's reasonable discretion: (i) revealed any new material liability not disclosed as of the Execution Date; or (ii) resulted in the quantification of liabilities with respect to any matters disclosed prior to the Execution Date that are material.

(g) **Insolvency.** None of MHRI Parent, the MHRI Affiliates and the PHO shall: (i) be in receivership or dissolution; (ii) have made any assignment for the benefit of creditors; (iii) have admitted in writing its inability to pay its debts as they mature; (iv) have been adjudicated as bankrupt; or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against MHRI Parent, any MHRI Affiliate or the PHO.

(h) **Defined Benefit Pension Plan.** Memorial shall have frozen its defined benefit pension plan.

(i) **Welfare Plans.** The Parties shall have developed a mutually agreeable plan with respect to Memorial's welfare plans.

(j) **Dissolution of The RS Realty Company.** Memorial shall have dissolved and wound up the affairs of The RS Realty Company, a Rhode Island corporation, and all proceeds and other assets shall be transferred to MHRI or another MHRI Affiliate.

(k) **Consents Related to Indebtedness.** CNE shall have either: (i) obtained such consents and approvals necessary to refinance Memorial's existing bond indebtedness and for Memorial to join CNE's Obligated Group; or (ii) obtained any consents related to CNE's bond indebtedness that are necessary for CNE to comply with Section 5.3(b), in CNE's discretion.

(l) **Tail or Nose Coverage.** Memorial, at its sole cost and expense, shall have obtained a reporting endorsement satisfactory to MHRI to all of its insurance coverage which is underwritten on a claims-made basis (i.e., tail or nose coverage) which: (i) insures Memorial for pre-Closing acts or omissions; (ii) has liability limits no less than the underlying policy; and (iii) has a reporting period of not less than six years.

13.2 Conditions Precedent to the Obligations of Memorial. The obligations of Memorial to consummate the transactions contemplated by this Agreement are, at the option of Memorial, subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

(a) **Accuracy of Warranties; Performance of Covenants.** Except for changes or developments permitted or contemplated by the express terms of this Agreement, the representations and warranties of CNE contained in Section 10.2 shall be true and accurate as if made on and as of the Closing Date. CNE shall have performed all of the obligations and complied with all of the covenants, agreements and conditions applicable to it required to be performed or complied with by it on or prior to the Closing Date.

(b) **Delivery of Closing Deliverables.** CNE shall have delivered to MHRI and MHRI Parent all of the Closing deliverables set forth in Section 9.3.

(c) **No Pending Action.** No action or proceeding before any court or governmental body will be pending or threatened wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the transactions contemplated

hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded.

(d) **Regulatory Approvals; Expiration of Waiting Periods.** All material consents, authorizations, orders and approvals of (or filings or registrations with) any governmental entity or other party required in connection with the execution, delivery and performance of this Agreement shall have been obtained or made by CNE when so required, except for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date.

(e) **Consents.** All consents, approvals and authorizations of third parties required for the consummation of the transactions contemplated by this Agreement shall have been obtained on or before the Closing Date.

(f) **Insolvency.** CNE shall not: (i) be in receivership or dissolution; (ii) have made any assignment for the benefit of creditors; (iii) have admitted in writing its inability to pay its debts as they mature; (iv) have been adjudicated as bankrupt; or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against CNE.

ARTICLE 14

TERMINATION

14.1 Termination. This Agreement may be terminated before the Closing Date, with each Party bearing its own expenses:

(a) Upon the written consent of the Parties;

(b) In the event that any of the conditions precedent to the performance of the obligations of CNE, or the obligations of Memorial, are not fulfilled and cannot be fulfilled on or prior to the Closing Date for any reason other than refusal of the Party giving notice to the other Party and have not been waived by such Party, or if a default is made by another Party in the observance, or in the due and timely performance, of any of the covenants and agreements herein contained that cannot be cured on or prior to the Closing Date and is not waived by the Party giving such notice; provided, however, that nothing provided therein will be construed as permitting CNE to terminate if CNE is in default or MHRI Parent or MHRI to terminate if one or both of them is in default;

(c) If any consents or approvals that are necessary for the consummation of the transactions contemplated by this Agreement or the continuing business properties or prospects of the entity resulting from the consummation of the transactions contemplated by this Agreement are refused or withdrawn by any governmental authority having jurisdiction;

(d) If the Closing does not occur by September 30, 2013 or such later date as may be agreed by the Parties in writing; or

(e) Upon receipt of a second request for information from the Department of Justice or Federal Trade Commission following submission of the Parties' Hart-Scott-Rodino pre-merger notification filing.

14.2 Approval by Board of Trustees. Any termination pursuant to Section 14.1 must first be approved by the board of the Party seeking termination, to the extent that such approval is required for such action.

ARTICLE 15

GENERAL PROVISIONS

15.1 No Assumption or Assignment. Notwithstanding Section 5.3, nothing contained in this Agreement shall be deemed to be an assumption or assignment by any Party hereto of any other Parties' or its affiliates' liabilities, obligations, debts, known or unknown, whether absolute, contingent, accrued or otherwise, including without limitation any and all (a) obligations, commitments or liabilities of or claims arising out of or in connection with the Affiliation contemplated hereunder; (b) liabilities for federal, state or local taxes arising from the business or operations of any Party or its affiliates; (c) liabilities or negligence claims relating to the provision of medical services or nursing care; (d) liabilities for any default in the performance of or breach of any contract, agreement, lease, commitment or obligation; (e) liabilities for Medicare or third-party payor reimbursement program recaptures or offsets for cost reporting periods prior to the Closing Date; (f) liability for FICA, workers' compensation or other employment related taxes; (g) obligations, commitments or liabilities relating to the establishment, adoption, administration or funding of participation in, contribution to, or maintenance or termination, whether on, prior or subsequent to the Closing Date, of any employee benefit plan, program, or arrangement (whether or not described in or subject to, ERISA); (h) funding obligations relating to insurance or self-insurance programs; and (i) any other liability or obligation accruing prior to the Closing Date.

15.2 Amendment. Except as otherwise provided in this Agreement, no amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the Parties, and then such amendment shall be effective only in the specific instance and for the specific purpose for which given.

15.3 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail, postage prepaid, as follows:

If to CNE:

Care New England Health System
45 Willard Avenue
Providence, RI 02905-2499
Attn: President and Chief Executive
Officer and Senior Vice
President and General Counsel

If to Memorial:

Memorial Hospital of Rhode Island
111 Brewster Street
Pawtucket, RI 02860
Attn: President/Chief Executive Officer

With a copy to:

McDermott, Will & Emery
227 West Monroe Street
Chicago, Illinois 60606
Attn: John M. Callahan, Esq.

With a copy to:

Partridge Snow & Hahn
180 South Main Street
Providence, RI 02903-7104
Attn: James Hahn, Esq.

A Party may change its address for receiving notice by written notice given to the others named above. All notices shall be effective when received, if by personal delivery, or two (2) business days after being deposited in the mail addressed as set forth above, if mailed.

15.4 Expenses. Each Party shall pay its own costs and expenses in connection with the transactions contemplated or required hereby.

15.5 Counterparts. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The Parties may deliver executed signature pages to this Agreement by facsimile or e-mail transmission. No Party may raise (a) the use of a facsimile or email transmission to deliver a signature or (b) the fact that any signature, agreement or instrument was signed and subsequently transmitted or communicated through the use of a facsimile or email transmission as a defense to the formation or enforceability of a contract, and each Party forever waives any such defense.

15.6 Entire Transaction. This Agreement contains the entire understanding of the Parties with respect to the transactions contemplated hereby and supersedes all other agreements and understandings of the Parties on the subject matter hereof.

15.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Rhode Island, without regard to conflicts of laws principles, and the Parties hereby consent to the jurisdiction of Rhode Island courts over all matters relating to this Agreement.

15.8 Headings. Headings of Articles and Sections in this Agreement and the table of contents hereof are solely for convenience or reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

15.9 Articles and Sections. All references to "Articles," "Sections," "Exhibits" and "Schedules" in this Agreement are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specifically provided.

15.10 Gender. Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include all other genders.

15.11 Further Assurances. After the Affiliation, each Party shall take such further actions and execute and deliver such additional documents and instruments as may be reasonably

requested by the other Party in order to perfect and complete the transactions specifically contemplated herein.

15.12 Waiver of Terms. Any of the terms or conditions of this Agreement may be waived at any time by the Party entitled to the benefit thereof, but only by a written notice signed by the Party waiving such terms or conditions. The waiver of any term or condition shall not be construed as a waiver of any other term or condition of this Agreement and shall be effective only in the specific instance and for the specific purpose for which given.

15.13 Partial Invalidity. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

15.14 Exhibits and Schedules. Any Party may set forth any disclosures required by a Schedule in a separate writing delivered to the other Parties that specifically makes reference to the applicable Section of this Agreement and the required schedule thereto. From the Execution Date until the Closing, any Party may update any Exhibit or Schedule as necessary, with the other Parties' consent and approval. The Exhibits and Schedules shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

15.15 Non-Assignment. No Party may assign its rights in this Agreement or delegate its duties under this Agreement to a third party without first obtaining the prior written consent of the other Parties. Notwithstanding anything to the contrary herein, the Parties agree that CNE may, without the other Parties' prior written consent, assign its rights or delegate its duties hereunder to a successor organization resulting from a merger, consolidation, change of membership or sponsorship, or sale of assets.

15.16 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

15.17 Public Statement. The Parties shall determine in advance, by mutual agreement and consent, the timing and content of any announcement, press release or other public statement concerning the transactions contemplated by this Agreement.

15.18 Transaction Instruments. Notwithstanding anything to the contrary in this Agreement, each certificate, document, schedule or exhibit or other instrument delivered in connection with this Agreement shall be issued by a party's officers, directors and trustees in their capacity as officer, director or trustee, respectively, and such individuals shall only be liable to CNE, MHRI Parent or MHRI for actions if such actions were malicious, or were willful and wanton misconduct.

The remainder of this page is intentionally left blank

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed on the day and year first above written.

CARE NEW ENGLAND HEALTH SYSTEM

By: Dennis D. Keefe

Name: Dennis D. Keefe

Title: President and Chief Executive Officer

**SOUTHEASTERN HEALTHCARE SYSTEM,
INC.**

By: _____

Name: _____

Title: _____

THE MEMORIAL HOSPITAL

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed on the day and year first above written.

CARE NEW ENGLAND HEALTH SYSTEM

By: _____

Name: Dennis D. Keefe

Title: President and Chief Executive Officer

**SOUTHEASTERN HEALTHCARE SYSTEM,
INC.**

By: A. J. DeBlais III

Name: A. J. DeBlais III

Title: Interim President & CEO

THE MEMORIAL HOSPITAL

By: A. J. DeBlais III

Name: A. J. DeBlais III

Title: Interim President & CEO

Schedule 6.2

Board Designated Funds

Memorial Hospital of Rhode Island
Board Designated Funds
September 30, 2012

	<u>MHRI</u>		<u>SHS Parent</u>
Board Designated Funds	\$5,641,495		
Board Designated Funds- Debt Reduction	\$1,824,166		
Total Board Designated Funds	<u>\$7,465,661</u>	\$296,155	<u>\$7,761,816</u>
Obligated Designated Funds-			
Due from SHS Ventures	\$214,241	(\$214,241)	\$0
RI Pet Services Investment	\$5,000		\$5,000
MPHO Investment	\$672,672		\$672,672
Malpractice Self Insured Trust	\$582,545		\$582,545
Workers Comp Trust	\$364,625		\$364,625
Cash restricted for Bond payment	\$521,051		\$521,051
Remaining obligated EMR Phase 2	\$416,207		\$416,207
Investment in PCC - NE		\$512,716	\$512,716
Due to PCC - NE		(\$2,320)	(\$2,320)
Total Obligated	<u>\$2,776,341</u>	<u>\$296,155</u>	<u>\$3,072,496</u>
Unobligated Board Designated Funds	<u>\$4,689,320</u>	<u>\$0</u>	<u>\$4,689,320</u>

12/21/2012

Schedule 9.2(f)

Bond Consents

Consent of Bank of America, N.A. with respect to the Series 2003 Bonds

Schedule 10.1(b)

Required Consents

1. Department of Health
2. Department of Attorney General
3. Confirmation of no action taken by the Department of Justice and Federal Trade Commission with respect to the Hart-Scott-Rodino filing.
4. Thirty days prior written notice to Tufts Health Plan of the Affiliation is required, and Tufts Health Plan may terminate the Hospital Health Services Agreement, effective October 1, 1999, in its reasonable judgment.

Schedule 10.1(c)

Material Changes to Accounting Practices and Liabilities

MHRI has made an adjustment in its balance sheet as of September 30, 2012 to increase the loss reserve for a legal matter previously disclosed to CNE for which MHRI self-insures.

Schedule 10.1(d)

Interim Changes

(i) MHRI has material operating losses each month, and expects that these losses will continue from the Balance Sheet Date to the Closing, and such losses have been and will be specified in the monthly unaudited financial statements provided and to be provided to CNE.

(ii) No exceptions.

(iii) R.S. Realty sold all of its apartment buildings on December 12, 2012 and received net proceeds of approximately \$3,157,000. The remaining assets of R.S. Realty will be moved to the MHRI balance sheet by December 31, 2012.

(iv) Memorial has purchased insurance tail or nose coverage as described in Section 13.1(l) of the Agreement.

(v) MHRI will enter into employment retention agreements with certain of its senior managers as previously disclosed to CNE by letter from Arthur J. DeBlois, III dated December 28, 2012.

Schedule 10.1(e)

Legal Proceedings

REDACTED

Schedule 10.1(f)

Licenses and Permits

<u>Accreditation/Certification</u>	<u>Certifying Group</u>	<u>Expiration Date</u>	<u>MHRI Department or Other Entity</u>
Hospital Accreditation	Joint Commission	December 2014	MHRI Administration
Home Care Accreditation	Joint Commission	December 2014	MHRI Home Care
Disease Specific Care - Advanced Primary Stroke Center	Joint Commission	February 2013	Dept of Medicine
Internal Medicine Residency	Accreditation Council for Graduate Medical Education (ACGME)	October 2014	Dept of Medicine
Family Medicine Residency	Accreditation Council for Graduate Medical Education (ACGME)	May 2015	Dept of Medicine
Podiatry Residency Program	Council on Podiatric Medical Education	June 2017	Dept of Podiatry
School of Nurse Anesthesia	Council on Accreditation of Nurse Anesthesia Educational Programs.	Expiration 2021	Dept of Anesthesia
Adult Inpatient Rehabilitation Program	Commission on Accreditation of Rehabilitation Facilities (CARF)	December 2014	Medical Rehabilitation
Laboratory Accreditation	College of American Pathologists (CAP)	October 2013	Lab/Pathology
Laboratory Accreditation	American Association of Blood Banks (AABB)	January 2013	Lab/Pathology
Clinical Laboratory Improvement Amendments (CLIA)	Centers for Medicare and Medicaid (CMS)		
CLIA - Memorial Hospital	CMS	February 2013	Lab/Pathology
CLIA - Family Care Clinic	CMS	October 2013	Lab/Pathology

CLIA - Internal Medicine Clinic	CMS	October 2013	Lab/Pathology
CLIA - Dr. Pepi / WHCS	CMS	November 2012	Lab/Pathology
CLIA - Boulevard Medical	CMS	December 2013	Lab/Pathology
CLIA - Primary Care Center Plainville	CMS	November 2012	Lab/Pathology
CLIA - Cardiac Rehabilitation	CAM	November 2012	Lab/Pathology
Community Hospital Comprehensive Cancer Program	American College of Surgeons (ACOS)	May 2013	Cancer Center
Cancer Center (QOPI) Quality Oncology Practice Initiative Certification	American Society of Clinical Oncology (ASCO)	October 2014	Cancer Center
Ultrasound Accreditation	American College of Radiology (ACR)	November 2014	Diagnostic Imaging (MHRI)
Nuclear Medicine	American College of Radiology (ACR)	November 2014	Diagnostic Imaging (MHRI)
Magnetic Resonance Imaging (MRI)	American College of Radiology (ACR)	December 2013	Diagnostic Imaging (MHRI)
Computed Tomography (CT)	American College of Radiology (ACR)	December 2014	Diagnostic Imaging (MHRI)
Mammography	American College of Radiology (ACR)	June 2015	Diagnostic Imaging (MHRI)
Mammography Quality Standards Act (MQSA)	Food & Drug Administration	June 2015	Diagnostic Imaging (MHRI)
Mammography	American College of Radiology (ACR)	August 2015	Diagnostic Imaging (Plainville)
Mammography Quality Standards Act (MQSA)	Food & Drug Administration	August 2015	Diagnostic Imaging (Plainville)
Sleep Lab Accreditation	American Academy of Sleep Medicine	June 2016	Medicine / Pulmonary

RHODE ISLAND DEPARTMENT OF HEALTH LICENSES AND EXPIRATION DATES:

- RI DOH License – Memorial Hospital of Rhode Island (12/31/12, application submitted and pending response from the DOH)
- RI DOH License – Memorial Hospital Home Care (12/31/12, application submitted and pending response from the DOH)
- RI DOH License – Pharmacy, Institutional (111 Brewster Street, Pawtucket, RI) (9/30/13)
- RI DOH License – Pharmacy, Non-Resident (3300 N. Central Avenue, Phoenix, AZ) (9/30/13)
- RI DOH License – Hospital Radiology Facility (111 Brewster Street, Pawtucket, RI) (8/31/13)
- RI DOH License – Hospital Radiology Facility (1000 Broad Street, Central Falls, RI) (8/31/13)
- RI DOH License – Specific Radiology Facility (8/31/13)
- RI DOH License – Radioactive Materials (Isotopes, X-Ray Tubes) (4/30/13)
- RI DOH License – New Horizons Adult Day Program (3/31/13)
- RI DOH License – MHRI Ancillary Services, LLC (to operate freestanding phlebotomy stations) (N/A)*

RHODE ISLAND DEPARTMENT OF ENVIRONMENTAL MANAGEMENT LICENSES/PERMITS AND EXPIRATION DATES:

- RI DEM/Narragansett Bay Commission (DEM air pollution control permit – 12/28/13) (NBC permit expires 12/1/15)
- RI DEM Biohazard License (Permit limits amounts of oil/gas/diesel used by calendar year)

MASSACHUSETTS DEPARTMENT OF PUBLIC HEALTH LICENSES AND EXPIRATION DATES:

- MA DPH License – SHS Ventures, Inc. Ambulatory Clinic (9/22/14)
- Radiation Control Program Certificate of Registration (60 Messenger Street, Plainville, MA) (12/31/13)

*Licenses are issued for drawing sites. MHRI Ancillary Services, LLC currently has no open drawing sites and as a result no license. In the event that MHRI Ancillary Services, LLC opens a drawing site, it would apply and receive a license from the DOH.

Schedule 10.1(g)

Compliance with Law

1. ETO emission control letter dated June 27, 2012.
2. Hazardous Material and Waste Overview dated December 14, 2012.
3. Level 1 Environmental Compliance Survey dated August, 2006.
4. MHRI has confirmed that it destroyed the records of all graduates of the Internal Medicine residency program for the periods of residency from 1977 through 1999. The approximate number of files destroyed was 238. MHRI is not aware of any particular law or regulation which requires that these files be maintained for any specific period of time.
5. MHRI has been unable to provide contracts for certain physicians, many of whom perform precepting services, as previously disclosed to CNE by letter from Arthur J. DeBlois, III dated December 31, 2012.
6. MHRI is subject to Recovery Contract Audits (RAC) by CMS. These audits occur in the ordinary course of business.

Schedule 10.1(h)
Property and Assets

(i) List of Real Property

1. Memorial Hospital of Rhode Island*
111 Brewster Street
Pawtucket, Rhode Island 02860
2. Notre Dame Ambulatory Center
1000 Broad Street a/k/a 35 Chestnut Street
Central Falls, Rhode Island 02863
3. Southeastern Medical Center
60 Messenger Street
Plainville, Massachusetts 02762
4. Women's Health Care Specialists
174 Armistice Boulevard
(a/k/a 192 and 194 Armistice Boulevard, Units B and D)
Pawtucket, Rhode Island 02860
5. 555 Prospect Street
Pawtucket, Rhode Island 02860
6. 1002 Broad Street**, Unit 2
Central Falls, Rhode Island 02863

*Restrictions prohibit MHRI from granting a mortgage on the premises and all the buildings and improvements thereon. (See Indentures at Book 137 Page 115, Book 139 Page 366 and Book 159 Page 27). Also, a portion of the premises is restricted for use as a dormitory or home for the use of nurses and persons connected with any training school for nurses (See Indenture at Book 139 Page 365).

**A loan related to a mortgage on this property granted to Fleet National Bank in 1989 has been paid in full, and MHRI will coordinate with Bank of America to have this mortgage discharged prior to the Closing Date.

(ii) Non-Real Title Exception (in each case, the debtor is MHRI).

<u>UCC Financing Statement Number</u>	<u>Date</u>	<u>Secured Party</u>	<u>Collateral</u>
200705027720	6/1/2007	General Electric	Equipment
200805950630	2/13/2008	Ikon Financial	Equipment
200908119060	12/9/2009	Bank of America	See below*
201109422380	1/4/2011	Philip Healthcare	Equipment
201211502130	8/14/2012	Creekridge Capital	Equipment
201211659140	10/1/2012	Creekridge Capital	Equipment
200705102120	6/21/2007	Fujifilm Medical Systems	Equipment
200806249850	5/5/2008	Fujifilm Medical Systems	Equipment
200806250090	5/5/2008	Fujifilm Medical Systems	Equipment

*All Collateral described in a Security Agreement with Bank of America dated July 31, 2009 together with an Endowment Account described in the Pledge and Security Agreement for Endowment Account with Bank of America dated July 31, 2009.

Schedule 10.1(i)

Affiliates and Subsidiaries

MHRI owns 1% of the membership interests in Rhode Island PET Services, LLC, a Rhode Island limited liability company.

MHRI is the Hospital Member of the PHO. Physicians, osteopaths and podiatrists who meet certain qualifications are the Practitioner Members of the PHO.

There are no exceptions to be listed with respect to the last three sentences of Section 10.1(i).

Schedule 10.1(I)

Insurance

See attached list.

**Memorial Hospital of Rhode Island
2012-2013 Policy Schedule**

Exposure Type	First Named Insured	Insurer	Policy No.	Policy Period	Policy Term Premium	Limits
Hospital Professional Liability	Southeastern Healthcare System, Inc.	Coverys	2-22599	7/1/12-13	\$575,628	Coverage Trigger: Occurrence Professional \$1,000,000/\$3,000,000 Deductible: None
Employed Physicians, Residents, & Interns Liability	Employed Physicians & Residents of Southeastern Healthcare System, Inc.	Coverys	2-22599PL	7/1/12-13	\$889,050	Coverage Trigger: Occurrence Each Physician: \$1,000,000/3,000,000
Excess Liability	Southeastern Healthcare System, Inc.	Coverys	2-22599CA	7/1/12-13	\$414,632	Coverage Trigger: Claims Made & Occurrence Per Claim: \$15,000,000 Policy Aggregate: \$15,000,000 Retro Date: 5/1/97 & 7/1/06
General Liability	Southeastern Healthcare System, Inc.	Coverys	2-22599GL	7/1/12-13	\$59,335	Coverage Trigger: Occurrence General \$1,000,000/\$3,000,000 Employee Benefits \$1,000,000/\$3,000,000 Deductible: None
Automobile	Memorial Hospital of Rhode Island	Philadelphia	PHPK524917	4/1/12-13	\$19,602	Vehicles: 12 Combined Single Limit: \$1,000,000 Uninsured/Underinsured: \$1,000,000 Deductible: Comp - \$500 Collision: \$1,000
Package Policy	Boulevard Medical Office Condo	Travelers	7374X1051	7/29/12-13	\$8,452	General \$1,000,000/\$2,000,000 Property: \$1,318,505

Property	Memorial Hospital of Rhode Island	Affiliated FM	AM992	10-1-12-13	\$137,642	Policy Limit: \$278,577,211 Deductible: Property: \$25,000 BI: 24 Hours Earthquake & Flood: \$100,000
Directors & Officers/ Employment Practices Liability	Southeastern Healthcare System, Inc.	Federal Insurance Company (Chubb)	8167-2827	12/1/12-13	\$30,407	D&O Limit: \$3,000,000 EPL Limit: \$3,000,000 Policy Aggregate: \$6,000,000 EPL: \$75,000 Retentions: D&O \$50,000, Antitrust: \$100,000 Pending & Prior: 10/22/90 except 3rd Party & EPL: 10/22/06
Fiduciary Liability & Crime Coverage	Southeastern Healthcare System, Inc.	Travelers Indemnity	105712042	12/1/12-13	\$8,871	Fiduciary: \$1,000,000 ERISA: \$1,000,000 Employee Theft: \$500,000 Forgery & Alteration: \$100,000 Retentions: Employee Theft: \$2,500 Forgery & Alteration: \$1,000
Cyber & Privacy Liability	Southeastern Healthcare System, Inc.	ACE America Insurance Company	EONG24588300001	9/10/12-13	\$33,080	Privacy Liability: \$3,000,000 Data Breach Fund: \$300,000 Network Security Liability: \$3,000,000 Regulatory Proceeding: \$500,000 Retention: \$50,000 Coverage Trigger: Claims Made Retroactive Date: 9/10/12
Excess Workers Compensation	Southeastern Healthcare System, Inc.	Safety National	SP4046101	5/1/12-13	\$82,835	Retention: \$450,000 Workers Compensation: Statutory Employers Liability: \$1,000,000 Total Payroll: \$83,419,396
Workers Compensation - MA Employees	Primary Care Centers of New England	The Hartford	08 -WEC LH5366	10-1-12-13	\$1,939	Workers Compensation: Statutory Employers Liability: \$500,000

Workers Compensation - MA Employees	SHS Ventures	The Hartford	08-WEC C19966	4-18-12-13	\$1,085	Workers Compensation: Statutory Employers Liability: \$500,000
Directors & Officers Employment Practices Liability	Memorial Physician Hospital Organization, Inc.	Federal Insurance Company (Chubb)	Form 14-02-9523	8-15-12-13	\$7,200	D&O Limit: \$1,000,000 Entity Coverage: \$1,000,000 EPL: \$1,000,000 3 rd Party: \$1,000,000 Antitrust: \$1,000,000 IRC: \$50,000 EMTALA: \$50,000 Excess Benefit: \$10,000 HIPAA: \$25,000
Executive Shield – Side A Only Excess Executive Liability Insurance Coverage	Southeastern Healthcare System, Inc.	National Union Fire Insurance Company of Pittsburgh, PA	01-580-26-06	12-27-12-12-1-13	\$18,361	Excess D&O Limit: \$3,000,000
D&O Liability	Southeastern Healthcare System, Inc.	Allied World National Assurance Company	Form D0-00032-00	12-31-12-13	\$10,000	Side A Excess: \$2,000,000
Excess Insurance	Memorial Hospital of Rhode Island	National Union Fire Insurance Company of Pittsburgh, PA	Form 74675	12-01-12-13	\$22,806	Side A Excess: \$3,000,000
Package Policy	Blackstone Health, Inc.	Philadelphia Indemnity Insurance Company	PHSD635665	To be provided	To be provided	To be provided

Schedule 10.1(m)

Medicare, Medicaid and other Reimbursement

(i) through (vii): No exceptions.

Schedule 10.1(n)

Medical Staff

- i. Pending or threatened disputes with or investigations of members of, or applicants of, the medical staff of MHRI other than those previously disclosed in writing to CNE: none .
- ii. Appeal bonds with respect to any medical staff member or applicant against whom an adverse action has been taken which have not expired: none .
- iii. Adverse actions within the past three years:

Dr. Fredy Roland's license to prescribe narcotics was restricted by the RI Board of Medical Licensure and Discipline on March 12, 2012 for a specified period of time. Memorial Hospital notified all personnel that Dr. Roland's license was restricted and that he could not dispense or prescribe narcotics. Effective January 1, 2013, Dr. Roland will be a "Refer and Follow" member of the Medical staff. This category carries no privileges within the hospital.

Schedule 10.1(o)

Employee Benefit Plans

- (i) List and summary description of all Benefit Plans as defined in the Agreement, and copies of the documents requested in Section 10.1(o)(i), as applicable, for each Benefit Plan: to be attached.

- (iv) Benefit Plans that are pension benefit plans that have not received determination letters from the Service to the effect that such Benefit Plans are qualified and exempt from Federal income taxes under Sections 401(a) and 501(a), respectively, of the Code; any such determination letter that has been revoked; any revocation of a determination that has been threatened: none: to be attached.

- (vi) No exceptions.

- (vii) No exceptions.

- (x) No exceptions.

Schedule 10.1(p)

Defined Benefit Pension Plans

- i. No exceptions.
- ii. No exceptions.
- iii. Benefit Plans subject to the funding rules of Section 302 of ERISA or Section 412 of the Code: to be attached.
- iv. No exceptions.
- v. No exceptions.
- vi. No exceptions.
- vii. No exceptions.
- viii. No exceptions.
- ix. No exceptions.
- x. No exceptions.

Schedule 10.1(q)

Partnership, Joint Venture, Limited Liability Company or Cost Sharing Agreements

MHRI is a member of Rhode Island PET Services, LLC and MHRI Ancillary Services, LLC.

MHRI is a party to the Amended and Restated Operating Agreement of Rhode Island PET Services, LLC adopted January 30, 2002, and revised February 22, 2002 and November 14, 2002.

Schedule 10.1(u)
Compliance Program

No exceptions.

Schedule 10.1(v)

Tax-exempt Bond Indebtedness

Hospital Financing Revenue Bonds, The Memorial Hospital Issue, \$25,000,000 Rhode Island Health Education Building Corporation, Series 2003.

Schedule 10.2(c)
CNE Material Changes to Accounting Practices

No exceptions.

Schedule 10.2(d)
CNE Interim Changes

No exceptions.

Schedule 10.2(e)
CNE Legal Proceedings

No exceptions.

Schedule 10.2(f)
CNE Licenses, Permits and Approvals

Governmental licenses, permits, certificates, accreditations (including, but not limited to, accreditation from the Joint Commission), consents and approvals material to CNE's business and operations are held by CNE's hospitals and other operating units. CNE holds no such licenses, permits, certificates, accreditations, consents or approvals. For convenience, the CNE hospitals' Rhode Island hospital licenses and accreditations from the Joint Commission are listed in the chart below.

Issuing Agency or Organization	Name of License / Permit / Accreditation	Identification Number	Expiration Date
Joint Commission	Hospital and Behavioral Health Accreditation (Butler)	601	This accreditation cycle is effective beginning July 12, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.
Joint Commission	Behavioral Health Care Accreditation (Butler)	358714	This accreditation cycle is effective beginning February 10, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.
Joint Commission	Hospital, Home Medical Equipment, Stroke Center Accreditation (Kent)	5655	This accreditation cycle is effective beginning January 30, 2010. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.
Joint Commission	Hospital and Behavioral Health Care Accreditation (WIH)	5650	This accreditation cycle is effective beginning June 24, 2011. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Issuing Agency or Organization	Name of License / Permit / Accreditation	Identification Number	Expiration Date
Rhode Island Department of Health	Hospital (Butler)	HOS000124	Hospital licenses in Rhode Island expire annually on December 31.
Rhode Island Department of Health	Hospital (Kent)	HOS000125	Hospital licenses in Rhode Island expire annually on December 31.
Rhode Island Department of Health	Hospital (WIH)	HOS000126	Hospital licenses in Rhode Island expire annually on December 31.

Schedule 10.2(i)
CNE Medicare, Medicaid and Other Reimbursement

No exceptions.

Schedule 10.2(i)

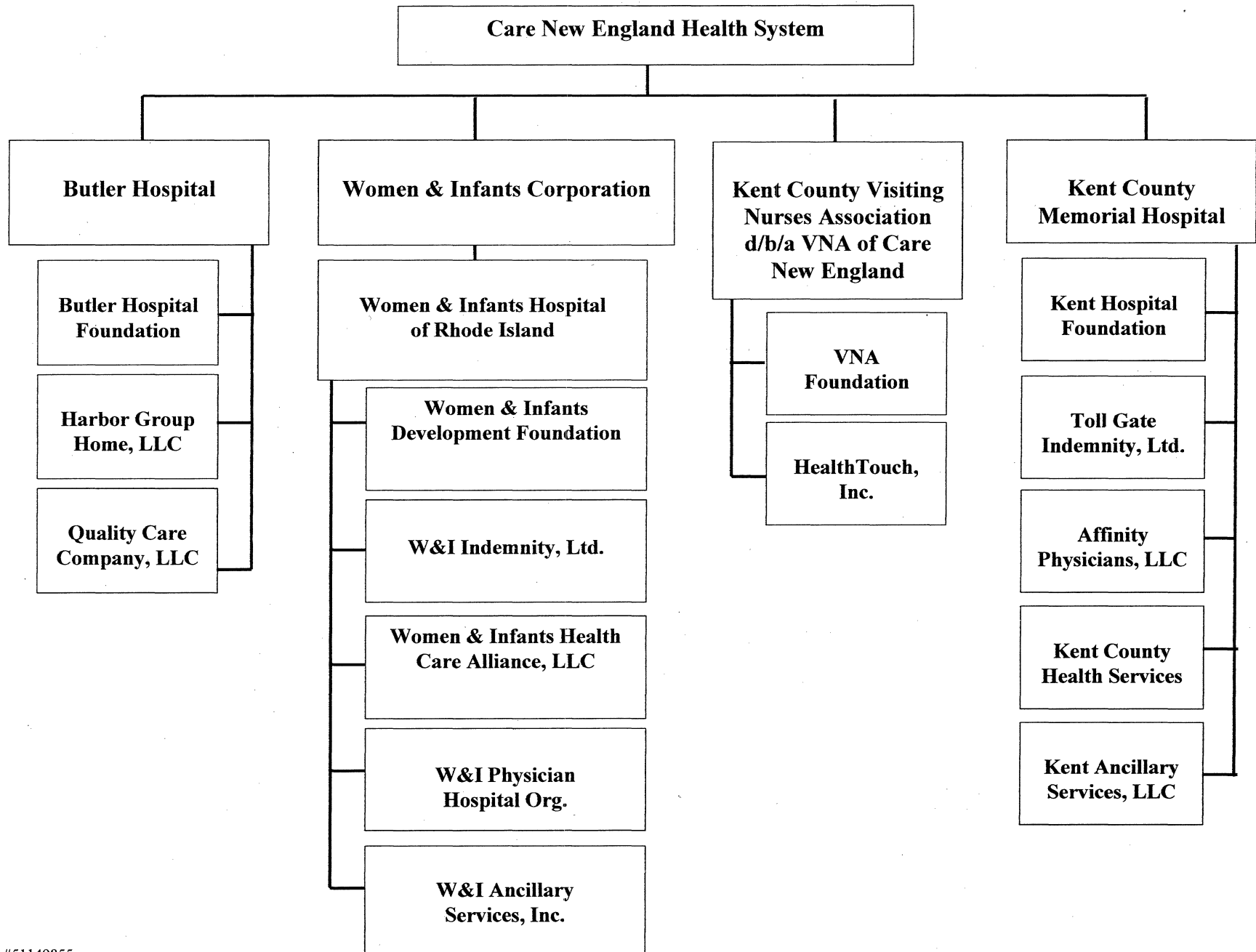
CNE Tax-exempt Bond Indebtedness

CNE, Butler Hospital (“**Butler**”), Kent County Memorial Hospital (“**Kent**”), Women & Infants Corporation (“**WIC**”), and Women & Infants Hospital of Rhode Island (“**WIH**”) are members of an obligated group (collectively, the “**Obligated Group**”) pursuant to the February 1, 2008 Master Trust Indenture among CNE, Butler, Kent, WIC, WIH and The Bank of New York Company, N.A., as Master Trustee. The Rhode Island Health and Educational Building Corporation (the “**Authority**”), has issued, on behalf of the Obligated Group:

1. Hospital Financing Revenue Bonds - Care New England Issue, Series 2008A pursuant to an Indenture of Trust and Pledge Agreement dated February 1, 2008 between the Authority and The Bank of New York Company, N.A., as Trustee;
2. Hospital Financing Revenue Bonds - Care New England Issue, Series 2008B pursuant to an Indenture of Trust and Pledge Agreement dated February 1, 2008 between the Authority and The Bank of New York Company, N.A., as Trustee;
3. Hospital Financing Revenue Bonds - Care New England Issue, Series 2010 pursuant to an Indenture of Trust and Pledge Agreement dated December 30, 2010 between the Authority and The Bank of New York Company, N.A., as Trustee; and
4. Hospital Financing Revenue Bonds Care New England Issue, Series 2011 pursuant to an Indenture of Trust and Pledge Agreement dated August 12, 2011 between the Authority and The Bank of New York Company, N.A., as Trustee.

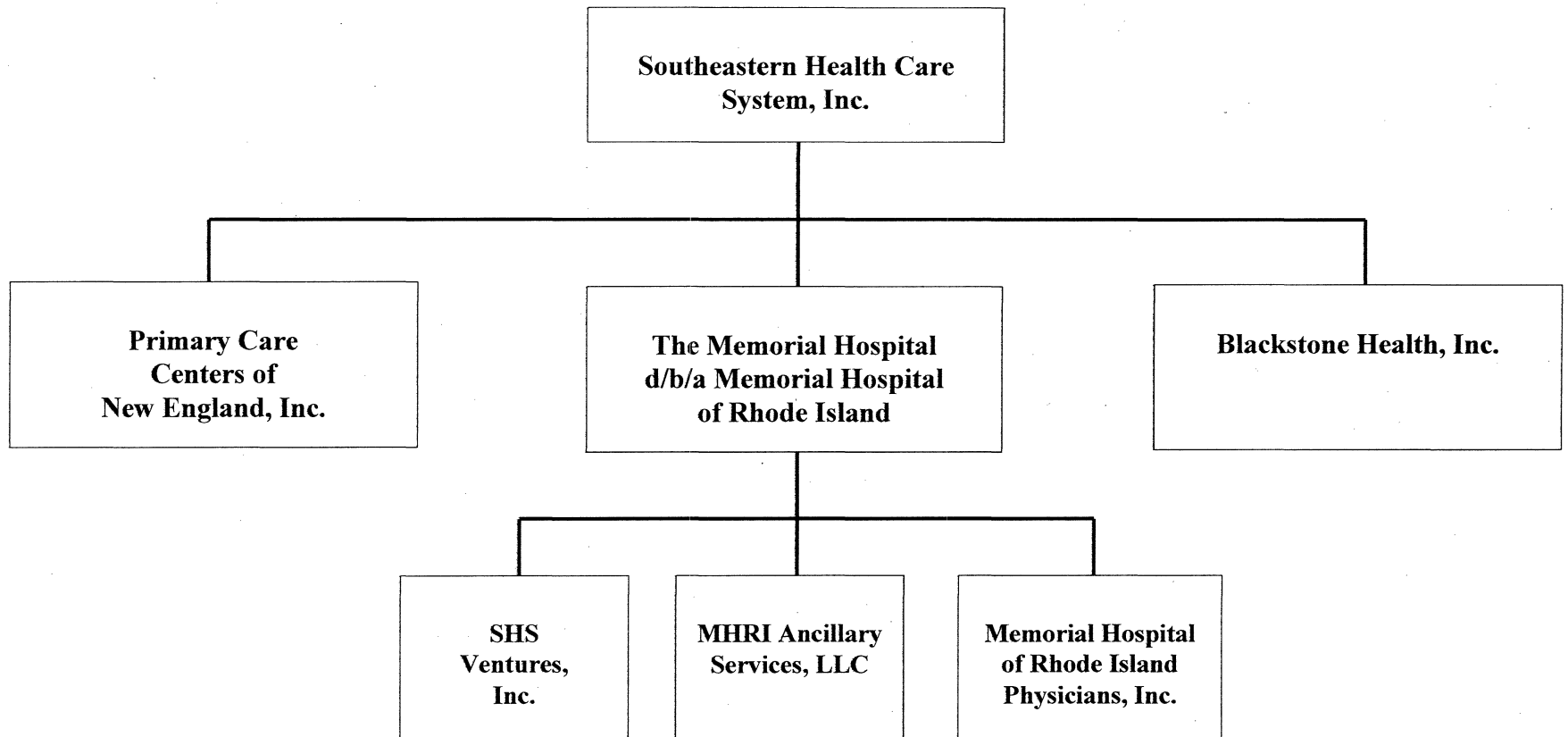
CARE NEW ENGLAND

PRE-AFFILIATION



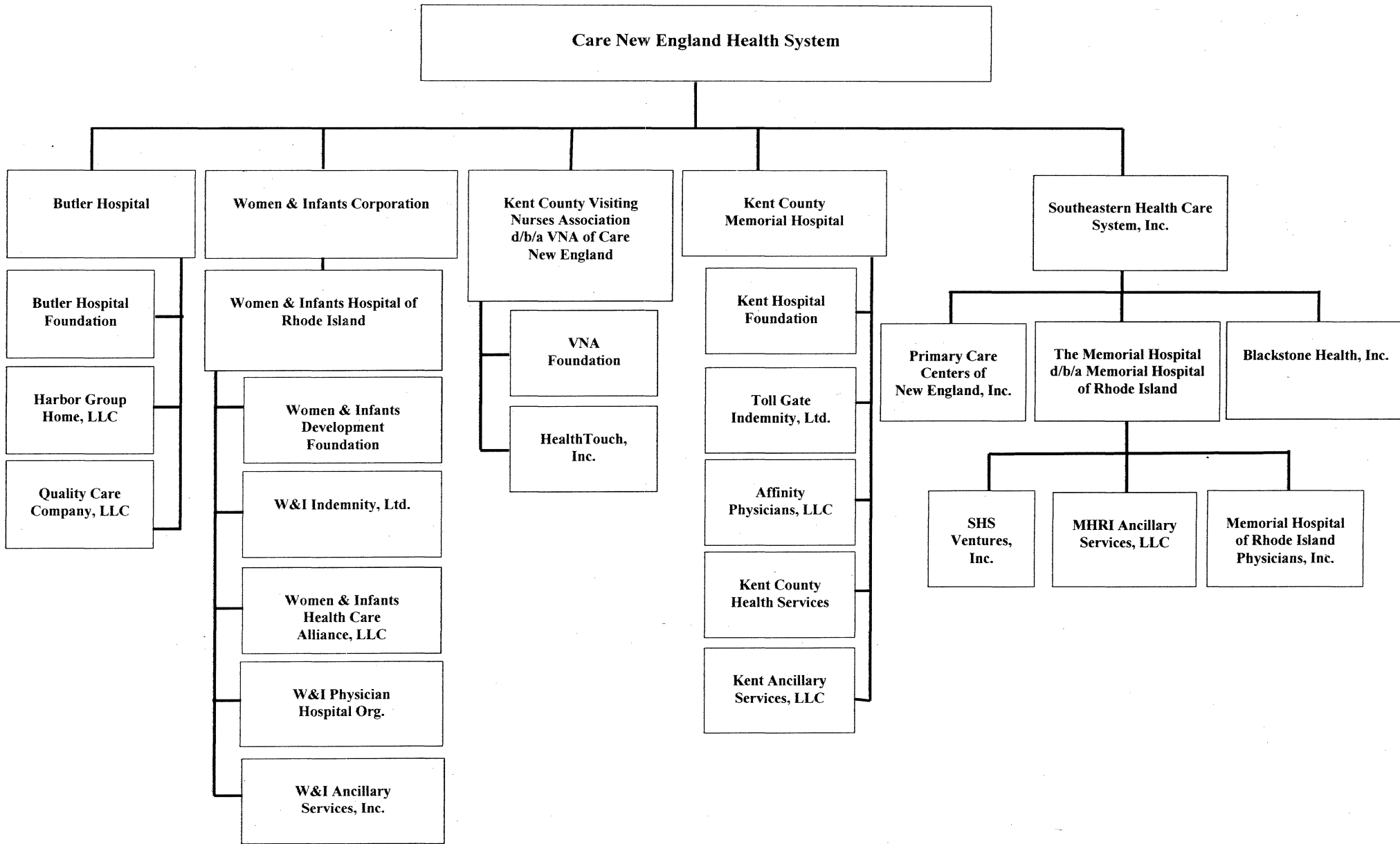
MHRI PARENT / MHRI

PRE-AFFILIATION



CARE NEW ENGLAND

POST-AFFILIATION



**Care New England Health System and Affiliates
Estimated Cost of Charity Care**

FY12

	Butler	Kent	W&I	VNA
Net Patient Service Revenue	\$ 63,526,932	\$ 288,358,464	\$ 394,267,033	\$ 11,157,429
Estimated Cost of Charity Care	\$ 2,331,437	\$ 5,951,977	\$ 6,056,484	\$ 183,269
Percent of Net Patient Service Revenue	3.67%	2.06%	1.54%	1.64%

FY11

	Butler	Kent	W&I	VNA
Net Patient Service Revenue	\$ 62,513,694	\$ 275,641,289	\$ 369,124,496	\$ 10,977,583
Estimated Cost of Charity Care	\$ 1,980,036	\$ 6,159,580	\$ 6,387,722	\$ 125,977
Percent of Net Patient Service Revenue	3.17%	2.23%	1.73%	1.15%

FY10

	Butler	Kent	W&I	VNA
Net Patient Service Revenue	\$ 61,911,390	\$ 255,216,826	\$ 361,478,324	\$ 10,752,681
Estimated Cost of Charity Care	\$ 1,449,432	\$ 3,647,260	\$ 6,430,452	\$ 128,745
Percent of Net Patient Service Revenue	2.34%	1.43%	1.78%	1.20%

FY09

	Butler	Kent	W&I	VNA
Net Patient Service Revenue	\$ 55,940,000	\$ 253,366,000	\$ 319,074,000	\$ 10,449,729
Estimated Cost of Charity Care	\$ 717,117	\$ 3,634,446	\$ 6,938,000	\$ 117,711
Percent of Net Patient Service Revenue	1.28%	1.43%	2.17%	1.13%

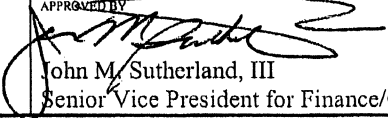
FY08

	Butler	Kent	W&I	VNA
Net Patient Service Revenue	\$ 47,775,742	\$ 233,929,000	\$ 300,537,295	\$ 8,927,645
Estimated Cost of Charity Care	\$ 694,431	\$ 2,787,047	\$ 5,290,000	\$ 96,048
Percent of Net Patient Service Revenue	1.45%	1.19%	1.76%	1.08%

CARE NEW ENGLAND

◆ BUTLER HOSPITAL ◆ KENT HOSPITAL ◆ WOMEN AND INFANTS HOSPITAL
◆ VNA OF CNE

POLICY

SUBJECT CHARITY CARE	PREPARED BY Bonnie Baker, Vice President for Finance Butler Hospital	EFFECTIVE DATE 10/1/07	POLICY NUMBER Finance 1
PAGE 1 of 3	APPROVED BY  John M. Sutherland, III Senior Vice President for Finance/CFO	REPLACES None	REPLACES None

Purpose:

Financial aid is intended to assist those low-income, self pay individuals who do not otherwise have the ability to pay full charges as determined under the hospital's qualification criteria. It should take into account each individual's ability to contribute to the cost of his or her care. Hospital financial aid is not a substitute for employer-sponsored, public or individually purchased insurance.

Policy:

1. All patients will be provided treatment for essential medical services regardless of their ability to pay.
2. The decision to extend financial assistance will be based solely on the applicant's financial status as indicated by pre-determined eligibility requirements and will be granted to all qualifying patients, regardless of race, color, religion, age, national origin, marital status or legally protected status. This policy will be uniformly applied to any uninsured/underinsured resident.
3. Patients are eligible for financial assistance for essential medical services. Essential medical services are defined as hospital services that are reasonably required to make a diagnosis, correct, cure, alleviate, or prevent the worsening of conditions that endanger life or cause suffering or pain, or result in illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no other equally effective more conservative or substantially less costly course of treatment available or suitable for the person requesting the service.
4. Patients having no health insurance or inadequate health insurance coverage are eligible to apply for the program. To be considered for a discount under the Financial Assistance Policy, a self pay person must cooperate with the hospital to provide the information and documentation necessary to apply for other existing financial resources that may be available to pay for his or her health care, such as Medicare, Medicaid, RIticare, third party liability, etc.

5. The Financial Assistance Program shall encompass all essential medical hospital services and professional services furnished by hospital employed physicians.
6. Full financial assistance will be given to patients with gross family income equal to or below 200% of the Federal Poverty Levels (FPL), adjusted for family size, provided such patients are not eligible for other private or public health coverage and do not exceed the assets protection threshold.
7. Individuals with gross income between 201% and 300% of the FPL and who do not exceed the assets protection threshold are also eligible for financial assistance for a portion of the medical bill, based upon a sliding scale. The patient financial responsibility is subject to maximum cap limitations as defined by State regulations or as periodically set by Care New England.
8. The responsible party's financial obligation remaining after application of the sliding fee schedule will follow routine collection procedures to obtain payment.
9. To be eligible for 100% financial assistance or partial financial assistance, the maximum assets (excluding a primary residence and personal automobile) shall not exceed \$8,000 for singles and \$12,000 for family units for 2006 and thereafter increased annually by the most current Consumer Price Index, provided, however, that these thresholds do not block an individual patient's ability to qualify for the state's Medical Assistance program(s) in which case these thresholds may be replaced by those utilized by the state's Medical Assistance program(s). A family unit is defined as a group of two or more persons related by birth, adoption, marriage (legal or common law), or other legal means who either live together or who live apart and are claimed as dependents.
10. In determining eligibility for full charity care only, in cases where a patient/guarantor qualifies for full charity care under the income criterion but does not meet the assets criterion, the hospital will provide the highest discount offered under the sliding scale. The maximum liability to the patient/guarantor will be the actual assets less the applicable asset thresholds.
11. Individual consideration may be provided to a patient that can demonstrate undue financial hardship, even though gross income may exceed 300% of the FPL. Exceptions must be approved by the Vice President of Finance or his/her/designee.
12. The patient/guarantor may appeal a denial of eligibility for financial assistance by providing additional verification of income or family size within thirty (30) days of receipt of notification of denial. All appeals will be reviewed by the Chief Financial Officer (CFO) or her/his designee for final determination. An appeal by definition requires a review by at least one management level higher than that given for the original application. A request for appeal must be processed within 30 days from receipt of an appeal request. Written notification of the appeal results must be provided to the patient/guarantor.
13. The hospital may reserve the right to revoke financial assistance if it determines a patient has knowingly misrepresented their financial condition, the number of dependents or any other information necessary to determine financial status for purposes of this policy.
14. The 'Notice of Hospital Financial Aid' must be available on hospital websites, patient bills and upon request. It will also be posted in Emergency Departments, main lobbies and in admission/registration areas throughout the hospital. Any changes to the Notice must be approved by the Director of the Department of Health (Director).

15. The Financial-Aid Criteria must be available in other languages in accordance with the applicable "*Standards for Culturally and Linguistically Appropriate Services in Health Care*" (*Standards 4 & 7, based on Title VI of the Civil Rights Act of 1964*). They must be approved by the Director and made available to all persons on request.
16. Any changes to the Application for Financial-Aid must be approved by the Director.
17. The following information must be provided to the Department of Health on an annual basis or as required by the Director:
 - a. Performance measures as determined by the Director,
 - b. The public Notice of Hospital Financial-Aid,
 - c. A copy of the hospital bill including the public Notice of Financial-Aid,
 - d. A copy of the Financial Aid criteria,
 - e. The Application for Financial Aid,
 - f. A copy of the Financial Assistance Appeals process
 - g. A copy of the Collections process.

APPLICATION FOR HOSPITAL FINANCIAL AID

Any approval of this request is temporary and expires 12 months from date of approval

Hospital: <input type="checkbox"/> Butler <input type="checkbox"/> Kent <input type="checkbox"/> Women & Infants	Date:
Patient:	Guarantor/Spouse:
MR#:	MR#:
Date of Birth:	Social Security # (if issued):
Social Security # (if issued):	Home Phone:
Home Phone:	Work Phone:
Work Phone:	Relation to Patient:
Home Address:	Address:
Occupation & Employer:	
Employer Address:	
Language: <input type="checkbox"/> English <input type="checkbox"/> Non-English	
Ethnicity: <input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic <input type="checkbox"/> No Ethnicity Identified	
Race: <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaska Native <input type="checkbox"/> Black/African American <input type="checkbox"/> Native Hawaiian/Pacific Islander	
<input type="checkbox"/> White <input type="checkbox"/> Other or Multiple Races <input type="checkbox"/> No Race Identified	

Please provide the following information for ALL members of the family unit, EXCEPT the Patient or Guarantor.			
Name & Relationship to Patient:	SS# (if issued):	Date of Birth:	MR#:
Employer, Phone & Address:	Home Address:		
Name & Relationship to Patient:	SS# (if issued):	Date of Birth:	MR#:
Employer, Phone & Address:	Home Address:		
Name & Relationship to Patient:	SS# (if issued):	Date of Birth:	MR#:
Employer, Phone & Address:	Home Address:		
Name & Relationship to Patient:	SS# (if issued):	Date of Birth:	MR#:
Employer, Phone & Address:	Home Address:		
MONTHLY INCOME		ASSETS	
Patient's Salary & Wages:	Savings:		
Spouse's Salary & Wages:	Checking:		
Guarantor's Salary & Wages:	Certificates of Deposit (CDs):		
Self-Employment Income:	Money Market Accounts:		
Child Care Income:	Savings Bonds:		
Rental Income:	Stocks:		
Unemployment Compensation:	Bonds:		
Temporary Disability Insurance:	Mutual Funds:		
Child Support:	IRAs:		
Alimony:	401(k)s:		
Workers' Compensation:	403(b)s:		
VA Benefits:	457s:		
Social Security Payments:	Cash-In Value Life Insurance:		
Dividend & Interest Income:	Personal Property:		
Royalties:	2nd Home & Rental Property:		
Pensions:	2nd Motor Vehicle:		
Public Assistance:	TOTAL:		
Other:			
MONTHLY INCOME:			
ANNUAL INCOME:			

"I request the hospital to make a determination of eligibility for financial aid. I understand that this information is confidential and subject to verification by the hospital. I also understand that if the information I provide is false, I may be denied financial aid and be liable for payment for the hospital services provided. I hereby attest that the information in this application is complete and correct to the best of my knowledge and that I understand the process and my responsibilities."

Patient's Signature: _____ Date: _____

Hospital Representative's Signature: _____ Date: _____

FOR INTERNAL PURPOSES ONLY	
Approved By: _____	Date: _____
Denied By: _____	Date: _____
Insurance Coverage: _____	Medical Assistance: <input type="checkbox"/> Yes <input type="checkbox"/> No
Services related to work injury or other type of accident: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Comments: _____	
Family Size: _____ FPG Level: _____ %FPG: _____	
DISCOUNT (%): _____ DISCOUNT (\$): _____	
Maximum Patient Responsibility: _____	



Title: Community Free Service

Date: November 29, 2010

INTENT *To provide medically necessary health care at no cost to patients whose income is at, or falls below, 200% of the current Federal Poverty Guidelines.*

POLICY

It is Memorial Hospital of Rhode Island's belief that all patients are entitled to receive quality care, regardless of the ability to pay. In conjunction with this belief, the Hospital will provide care without cost to all patients whose income is at or falls below 200% of the current poverty income guidelines established by the Community Service Administration. Community Free Services will only be provided to patients who are deemed ineligible for third party coverage or who have exhausted benefits under such coverage.

Any patients who are eligible under any type of Federal, State or City Medical Assistance Programs, whether enrolled or not, will automatically be excluded under this policy. Patients who are non-compliant with assistance agencies and are ineligible for coverage for this reason will be deemed ineligible for Community Free Service. Balances sent to collection agencies are ineligible for Community Free Service.

All balances as a result of a utilization denial, private room request, or medically unnecessary services, are excluded.

Consideration will be given to any unreasonable financial burden imposed on an individual or family when the income requirements exceed the eligibility criteria. However, these cases will be reviewed on a one-for-one basis.

PROCEDURE

1. All patients must complete the Community Free Care application. Assistance by hospital staff will be offered for the completion of the application.
 - a. Income for all persons living in the household is considered to be available to the patient and is counted.
 - b. Documents accepted as proof of income must be current and include, but are not limited to:
 - ▶ Pay stubs
 - ▶ State, Federal or City award letters
 - ▶ Complete tax returns
 - ▶ W2 forms
2. At the time of application, the billing system must be checked to ensure that the applicant or family members have existing bills. If it is determined, by the account representative, that eligibility for State or Federal assistance exists, the application for Community Free Service is taken and approved pending the outcome of the assistance application.
3. All applications will be reviewed and approved by the Director of Patient Accounts.
4. Once eligibility for Community Free Service is determined, all bills to be written off are totaled and the accounts identified for the applicant.
5. Services that do not fall under the policy are also identified and acceptable payment arrangements are made.

REFERENCES and RELATED POLICIES

- Patient Rights 23* Credit and Collections
- Patient Rights 24* Discount for Self Pay Patients

APPROVED

Francis R. Dietz, President

11/29/2010

Date

Michael J. Ryan, Senior Vice President for Finance

11/29/2010

Date



Title: Discount for Self Pay Patients
Date: November 29, 2010

INTENT *The intent of this policy is to offer discounts to patients for hospital services which are not covered by insurance.*

POLICY

The hospital offers these discounts to assist uninsured and under insured patients, and to encourage payment of bills. The hospital will offer a 40% discount from charges if the service is paid in full within six months from the provision of the service or determination that health insurance will not cover service.

This policy applies to patients who have no health insurance, or whose health insurance coverage limits have been exceeded and do not qualify for the hospital's Community Free Care program.

The Patient Accounts Department informs qualifying patients of this policy as a part of the financial counseling service.

If a service has already been discounted, this policy does **NOT** apply.

- ▶ This policy does not apply to services that have already been discounted due to patient's participation in a Preferred Provider Organization (PPO) or other type of discount program.
- ▶ This policy does not apply to co-pays or deductibles since a discount has already been taken on the service.
- ▶ This policy does not apply to medically unnecessary services.
- ▶ This policy does not apply to private room charges if the private room is requested by a patient or family.

REFERENCES and RELATED POLICIES

Patient Rights 23 Credit and Collections
Patient Rights 25 Community Free Service

APPROVED

Francis R. Dietz, President

11/29/2010

Date

Michael J. Ryan, Senior Vice President for Finance

11/29/2010

Date

MEMORIAL HOSPITAL RI - APPLICATION FOR FINANCIAL AID

(Any approval of this request is temporary and Expires 6 months from the date of approval)

PATIENT LAST NAME:	GUARANTOR LAST NAME:
PATIENT FIRST NAME:	GUARANTOR FIRST NAME
DATE OF BIRTH:	RELATIONSHIP TO PATIENT:
SOCIAL SECURITY # (if issued)	SOCIAL SECURITY # (if issued)
HOME PHONE:	HOME PHONE:
HOME ADDRESS:	WORK PHONE:
CITY, STATE & ZIP CODE	HOME ADDRESS:
EMPLOYER:	CITY, STATE & ZIP CODE
OCCUPATION:	
WORK PHONE:	
EMPLOYER ADDRESS:	
CITY, STATE & ZIP CODE	

**PROVIDE THE INFORMATION BELOW ON PATIENT'S PRIMARY LANGUAGE:
RACE & ETHNICITY IS OPTIONAL TO THE PATIENT (please check accordingly)**

LANGUAGE:	NON ENGLISH:
ETHNICITY:	NON-HISPANIC
RACE:	AMERICAN INDIAN/ALASKA NATIVE:
BLACK/AFRICAN AMERICAN	NATIVE HAWAIIAN/PACIFIC ISLANDER:
CAUCASIAN	OTHER OR MULTIPLE RACES

PLEASE PROVIDE THE FOLLOWING INFORMATION FOR ALL MEMBERS OF THE FAMILY UNIT, EXCEPT THE PATIENT OR GUARANTOR

1. Name & Relationship to Patient:	SS# (if issued) & Date of Birth:
Employer's Name:	Home Address:
Address:	Home Phone:
Phone:	
2. Name & Relationship to Patient:	SS# (if issued) & Date of Birth:
Employer's Name:	Home Address:
Address:	Home Phone:
Phone:	
3. Name & Relationship to Patient:	SS# (if issued) & Date of Birth:
Employer's Name:	Home Address:
Address:	Home Phone:
Phone:	

4. Name & Relationship to Patient:	SS# (if issued) & Date of Birth:
Employer's Name:	Home Address:
Address:	Home Phone:
Phone:	
5. Name & Relationship to Patient:	SS# (if issued) & Date of Birth:
Employer's Name:	Home Address:
Address:	Home Phone:
Phone:	
6. Name & Relationship to Patient:	SS# (if issued) & Date of Birth:
Employer's Name:	Home Address:
Address:	Home Phone:
Phone:	
MONTHLY INCOME:	ASSETS:
Patient Salary & Wages:	Savings
Spouse's Salary & Wages:	Checking
Guarantor's Salary & Wages:	Certificates of Deposit (CDs):
Self Employment Income:	Money Market Accounts:
Child Care Income:	Savings Bonds:
Rental Income:	Stocks:
Unemployment Compensation:	Bonds:
Temporary Disability Insurance:	Mutual Funds:
Child Support:	IRAs:
Allmony:	401(k)s:
Workers Compensation:	403(k)s:
VA Benefits:	457s:
Social Security Payments	Cash-in-Value Life Insurance:
Dividend & Interest Income:	Personal Property:
Royalties:	2nd Home & Rental Property:
Pensions:	2nd Motor Vehicle:
Public Assistance:	
TOTAL MONTHLY INCOME:	
ANNUAL INCOME:	TOTAL ASSETS:
<p>"I request the hospital to make a determination of eligibility for financial aid. I understand that the information is confidential and subject to verification by the hospital. I also understand that if the information I provide is false, I may be denied financial aid and be liable for payment for the hospital services provided. I hereby attest that the information in this application is complete to the best of my knowledge and I understand the process and my responsibilities."</p>	
DATE:	SIGNATURE:
REVIEWER, APPROVAL OR DENIAL, COMMENTS:	
DISCOUNT (%):	DISCOUNT (\$):

Date	Description of Licensure/Certificate Citation or Enforcement Action	Status
3.1.2012	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Kent Hospital failed to implement hospital policies, failed to provide care and services in accordance with the prevailing community standard of care and failed to report reportable incidents in writing to the RIDOH within 72 hours.	Resolved with a Plan of Correction.
5.6.2011	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Kent Hospital failed to provide care and services in accordance with the prevailing community standard of care and failed to implement a physician order.	Resolved with a Plan of Correction.
10.19.2010	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that a patient was mis-identified when obtaining specimen for Newborn Screening Program testing.	Resolved with a Plan of Correction.
2.25.2010	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Kent Hospital failed to implement hospital policies and failed to provide care and services in accordance with the prevailing community standard of care.	Resolved with a Plan of Correction.
9.20.2012	WIH: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Women & Infants Hospital failed to review results of urine tests for certain patients within 24-48 hours of discharge in accordance with hospital policy.	Resolved with a Plan of Correction.
2010	WIH: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Women & Infants Hospital failed to provide care and services in accordance with hospital policies regarding doctor’s orders, adult pain management, triage guidelines: patient flow and assessment and intravenous (IV) therapy/adult.	Resolved with a Plan of Correction.
2010	WIH: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Women & Infants Hospital failed to provide care and services in accordance with hospital policies regarding surgical counts, tamponade balloon catheter and report (hand of communication) and informed consent.	Resolved with a Plan of Correction.

Date	Description of Pending or Adjudicated Citations, Violations or Charges	Status
3.1.2012	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Kent Hospital failed to implement hospital policies, failed to provide care and services in accordance with the prevailing community standard of care and failed to report reportable incidents in writing to the RIDOH within 72 hours.	Resolved with a Plan of Correction.
5.6.2011	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Kent Hospital failed to provide care and services in accordance with the prevailing community standard of care and failed to implement a physician order.	Resolved with a Plan of Correction.
3.2011	Kent: Warwick Sewer Authority: cease and desist order for pulper in kitchen via an e-mail received after annual inspection.	Pulper immediately removed from service; currently in compliance.
10.19.2010	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that a patient was mis-identified when obtaining specimen for Newborn Screening Program testing.	Resolved with a Plan of Correction.
2.25.2010	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Kent Hospital failed to implement hospital policies and failed to provide care and services in accordance with the prevailing community standard of care.	Resolved with a Plan of Correction.
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Date	Description of Pending or Adjudicated Citations, Violations or Charges	Status
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Date	Description of Investigations	Status
9.21.2012	<p>Kent: Department of Health & Human Services, Office for Civil Rights: compliant regarding compliance with federal standards for privacy of individuals. The OCR complaint involves inappropriate access to PHI in connection with compliance with federal standards for privacy of individuals. The OCR sent a request for additional information to which Kent Hospital responded on January 12, 2013. This response was followed-up with an email response from OCR requesting additional information/documentation. The additional information/documentation requested was (i) evidence of implementation of risk remediation activities slated for completion by December 2012 (business associate contracts, physical security of workstations, and movement of hardware and electronic media); (ii) current status update for encryption implementation for email and removable media; (iii) evidence of implementation of automated system activity monitoring tool "Fair Warning"; and (iv) updated system activity review procedures after implementation of automated system activity monitoring tool. Kent provided the information and documentation requested in a letter to the OCR dated February 28, 2013.</p>	<p>Kent Hospital provided information/documentation requested by OCR in a letter to the OCR dated February 28, 2013.</p>
3.1.2012	<p>Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Kent Hospital failed to implement hospital policies, failed to provide care and services in accordance with the prevailing community standard of care and failed to report reportable incidents in writing to the RIDOH within 72 hours.</p>	<p>Resolved with a Plan of Correction.</p>
5.6.2011	<p>Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Kent Hospital failed to provide care and services in accordance with the prevailing community standard of care and failed to implement a physician order.</p>	<p>Resolved with a Plan of Correction.</p>
3.2011	<p>Kent: Warwick Sewer Authority: cease and desist order for pulper in kitchen via an e-mail received after annual inspection.</p>	<p>Pulper immediately removed from service; currently in compliance.</p>

Date	Description of Investigations	Status
10.19.2010	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that a patient was mis-identified when obtaining specimen for Newborn Screening Program testing.	Resolved with a Plan of Correction.
2.25.2010	Kent: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Kent Hospital failed to implement hospital policies and failed to provide care and services in accordance with the prevailing community standard of care.	Resolved with a Plan of Correction.
12.2012	WIH: Rhode Island Department of Health (RIDOH) – Facilities Regulations: RIDOH, under the authority of CMS, investigated certain WIH Conditions of Participation: Patient Rights (restraints, HIPAA, etc.); QAPI (quality assessment & performance improvement); Medical Records; Lab Services; and Surgical Services. RIDOH specifically investigated an event involving mis-labeling of specimens. To date, WIH has not yet received any report from RIDOH.	Pending
9.20.2012	WIH: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Women & Infants Hospital failed to review results of urine tests for certain patients within 24-48 hours of discharge in accordance with hospital policy.	Resolved with a Plan of Correction.
2010	WIH: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Women & Infants Hospital failed to provide care and services in accordance with hospital policies regarding doctor’s orders, adult pain management, triage guidelines: patient flow and assessment and intravenous (IV) therapy/adult.	Resolved with a Plan of Correction.
2010	WIH: Rhode Island Department of Health (RIDOH) – Facilities Regulations: state complaint investigation. Found that Women & Infants Hospital failed to provide care and services in accordance with hospital policies regarding surgical counts, tamponade balloon catheter and report (hand of communication) and informed consent.	Resolved with a Plan of Correction.



Title: Performance Improvement Plan

Date: July 1, 2011

INTENT *To outline the hospital's plan for improving organizational performance.*

INTRODUCTION

The Memorial Hospital of Rhode Island's Performance Improvement Plan utilizes a planned, systematic, organization-wide approach that encompasses both monitoring and improvement activities. The goal of our plan is to continuously improve patient care, including health outcomes, costs of care, and our customer's perceptions of care and service. Focusing upon key functions within the organization and directing our efforts towards high volume and/or at-risk patient populations, we intend to enhance the value of care provided and meet the expectations of the community we serve.

The Governing Board is ultimately accountable for the care the hospital provides. The hospital's leaders set expectations, develop plans, and manage processes to measure, assess, and improve the quality of the hospital's governance, management, clinical, and support services. The hospital President, Senior Vice Presidents, and Medical Staff Service Chiefs are responsible for ensuring the necessary processes and structures are in place to translate these performance expectations into daily practice. In turn, each Medical Director / Department Manager maintains ongoing responsibility for the quality and appropriateness of care available and/or delivered to patients and their families.

Our integrated plan focuses upon measuring and improving the following dimensions of performance.

DOING THE RIGHT THING

- ▶ *Efficacy* degree to which the planned care accomplishes the desired outcome(s)
- ▶ *Appropriateness* degree to which the provided care is relevant to the patient's clinical needs

DOING THE RIGHT THING WELL

- ▶ *Availability* degree to which appropriate care is available to meet the patient's needs
- ▶ *Timeliness* degree to which care is provided at the most beneficial or necessary time
- ▶ *Effectiveness* degree to which care is provided in the correct manner
- ▶ *Continuity* degree to which care is coordinated over time among practitioners & settings
- ▶ *Safety* degree to which the risk of the interventions and the environment are reduced
- ▶ *Efficiency* relationship between the outcomes and the resources utilized to deliver care
- ▶ *Respect & Caring* degree to which the patient is involved in his/her own care decisions and the health care providers are sensitive to patients' needs, desires & expectations

The Hospital Performance Improvement Plan is designed to foster clinician involvement in setting practice standards through policies, Care Maps and other clinical practice guidelines, identifying variations in practice, recommending actions to effect changes in clinical practice, and ultimately, improving the delivery and outcomes of patient care.

Working in collaboration with all health care providers and disciplines within the Hospital and as appropriate, the community, our improvement plan is designed to (1) identify opportunities for improvement, (2) develop, implement, and evaluate improvement plans, and (3) communicate results to the appropriate staff and the governing body.

I. DESIGN

Our performance improvement plan is designed to promote a process of organizational change through employee participation, team building, and effective response patterns to recommendations generated from the performance monitoring and improvement activities. The plan creates an interdisciplinary team model to engage hospital leaders and staff in determining measurements, setting priorities and allocating resources for improvement activities.

All performance measures and improvements are coordinated by the Performance Improvement Committee (PIC). The Vice President for Professional Practice serves as the PIC administrative liaison to present and disseminate findings quarterly to Joint Conference (Governing Body and Executive Committee of the Staff) and hospital staff.

The *Performance Improvement Committee (PIC)*, appointed by the Executive Committee of the Staff and Co-Chaired by the Physician-in-Chief and Senior Vice President for Operations/Chief of Nursing, establishes a systematic plan for ongoing performance monitoring & sets priorities for improvement activities. The interdisciplinary PI committee responds to performance findings, creates forums to elicit input from physicians, staff, and patients to target improvements, and provides systems support to analyze data and assist staff in designing improvement strategies.

Performance Teams are designated by the Performance Improvement Committee with focus areas assigned annually. The two *CORE PI teams* focus on specific, critical aspects related to PATIENT SAFETY and ACCESS & PATIENT FLOW. Other *Performance Evaluation Teams* are commissioned as deemed appropriate to respond to identified issues and/or improvement potential related to (1) care across the continuum, (2) perceptions of care, or (3) special interest areas. Leaders and key members are designated by the PIC and approved by the Executive Committee of the Medical Staff. The teams develop improvement plans, including performance measures and re-evaluation requirements to meet the PIC-designated objectives. Teams members, representing multiple disciplines and departments, utilize various strategies to monitor the quality of care, analyze the systems processes, and educate other health care providers. A PI Coordinator assists in data analysis and provides logistical support for the teams.

Process Improvement Projects (PIP) are short term projects approved by the PIC based on organizational priorities. The impetus for PIPs may be (1) in response to improvement requests from staff, (2) to establish performance expectations when implementing or modifying a clinical process, or (3) to test new ways of carrying out a function. PIPs focus on systems/processes impacting multiple patient populations, environmental issues, or business functions. Once a decision is made to establish a PIP, the PIC designates an operational leader, administrative champion, and Outcomes Management staff. Other PIP members are determined by the PIP leader. PIPs are expected to continue until the issue is resolved and/or improvements are implemented and initially evaluated. Re-measurement may then be transferred to an individual department or an ongoing performance measure is added to the hospital PI plan.

Outcomes Subcommittee is an interdisciplinary work group appointed by the PIC to review the existing performance results and recommend refinements and/or comparative benchmarks for the hospital's performance measures. Results of existing measures are regularly reported to PIC and analyzed whenever there is an indication that there may be a problem with actual performance, stability of the process, or the reliability of the measurement methods. Performance monitoring plans are submitted for PIC approval each year with the subcommittee's recommendations to revise or add measures to better evaluate organizational performance. When new measures are added, the Outcomes Subcommittee ensures that new measures are analyzed to determine the appropriateness of the measure, establish control limits or thresholds, and plan to report results in such a way to be useful to the organization. Measures reported through Medical Staff Committees Plan are reviewed for data integrity at least every three years and if indicated, Outcomes makes recommendations for refining the measure or data collection / analyses processes.

The Consolidated Leadership Program/Safety Subcommittee is an interdisciplinary work group of senior leadership appointed by the PIC to evaluate and enhance patient, family and staff safety throughout the organization. The team develops strategies to engage all staff in the identification and reporting of safety concerns (including near miss and actual events); solicit suggestions from patients, families and staff to improve aspects of care, services and/or the environment; prioritize and implement safety improvements; and continuously analyze the outcomes of these interventions for intended improvements to reduce the likelihood of medical/health care errors. The subcommittee reviews findings from leadership Walkrounds™, safety suggestion boxes, incident report tracking, patient and family concerns and Environment of Care Committee. Written / verbal feedback regarding actions taken are provided to the involved units as well as the organization as a whole.

Multiple Departments, Committees and Subcommittees collaborate with the Performance Improvement Committee and assist the Outcomes Subcommittee in measuring and evaluating performance throughout the organization:

Outcomes Department applies statistical controls and/or monitors trends for all hospital performance measures and when indicated, coordinates improvement efforts with the individual Department Managers and/or Service Chiefs. Care Maps and other clinical practice guidelines are monitored for adherence to evidence-based practice indicators and patient flow parameters made specific to our population and setting and approved by the Medical Staff.

Pathology Department monitors hospital-wide performance in key areas, such as transfusion appropriateness, hemolytic transfusion reactions, autopsy utilization, discrepancies between preoperative and postoperative diagnosis and blood culture contamination rates.

Health Information Management Department utilizes pre-defined criteria to abstract data elements necessary for a variety of internal and external performance measures.

Public Relations Department coordinates the patient complaint management systems throughout the hospital and assists department managers in developing and administering various department-specific satisfaction surveys.

Risk Management Department oversees patient and employee risk / injury issues and those aspects of performance that cause actual or potential harm to patients, including initiating reviews for sentinel events (*see Leadership 3*). Physician profiles are compiled for Service Chiefs to integrate performance measures in the re-credentialing process.

Medical Staff Committees contribute to the hospital Performance Improvement Plan by designing and implementing

- ▶ Utilization Management Plan (Utilization Review Committee)
- ▶ Medical Record Review Plan (Health Information Management Committee)
- ▶ Medication Use Plan (Utilization & Adverse Reactions) (Pharmacy & Therapeutics Committee)
- ▶ Infection Prevention, Control, and Surveillance Plan (Infection Control Committee)
- ▶ Code Blue Review Plan (Patient Care Committee / ACLS Subcommittee)
- ▶ Tumor Registry Plan (Cancer Committee)

Interdisciplinary Care Programs use an integrated approach to evaluate care / services for specific patient populations and submit an annual summary to PIC, outlining significant findings, recommendations, and future monitoring plans.

Service-based Peer Review Teams comprise an integral component of the PI Plan through regular review of select morbidity or mortality cases (*see Performance 2*), providing education when deemed necessary, and/or recommending practice / system changes to improve performance. Peer review findings are integrated into the re-credentialing process.

Hospital Departments actively engage in quality control monitoring and improving performance at the department level. Departments submit an annual report to PIC listing measures and identifying significant findings with plans for the future. When indicated, PIC recommends collaborative projects between departments for cross-functional processes or may recommend the process be evaluated in conjunction with existing performance teams to avoid duplication of efforts. Future plans for improvement are evaluated for consistency and alignment with the hospital mission, vision, and values.

Contracted Patient Care Services are evaluated and annual reports submitted by designated department managers.

II. MEASURE

Collecting performance data provides hospital leaders with information to (1) make informed judgements about the stability of existing processes related to the safety and quality of care; (2) identify opportunities for incrementally improving processes; (3) identify the need to re-design processes; and (4) decide whether the improvements or re-design achieve the desired objectives.

The scope and focus of monitoring and data collection are determined by PIC based upon the importance / risk associated with the process as well as the availability of information or resources needed to measure performance. Whenever possible, data captured as part of registration, clinical practice, medical record abstraction, or other work functions are utilized to screen for potential improvement opportunities.

The PI plan measures performance for multiple patient care and organization functions and attempts to address the most relevant dimensions of performance associated with the each of the functions / processes to be measured. The scope of performance monitoring is designated by the PIC and significance / relevance reviewed annually. Interdisciplinary and Service-based peer review programs also contribute specific performance monitors along with recommending areas upon which to focus improvement efforts and submit an annual plan to PIC for approval. (*see Addendum A*).

Performance measurement is an ongoing process, utilized to establish performance baseline, describe process performance or stability, and identify areas for more focused data collection. Ongoing performance measures to ensure continued improvement or process stability are designated as requiring monthly or quarterly reports to Outcomes Management Department. Other measures may be periodic and have pre-determined months for data collection / sampling to evaluate performance and ensure that sustained improvements continue.

In select instances, a measure may be time-limited. When the measure is related to a hospital improvement priority (team goal, response to sentinel event, or process instability) or prior to implementing new or modified processes, performance expectations are defined with criteria to measure improvements and frequently utilize flow charts and other CQI tools in addition to traditional numerator-denominator measures. These process-specific measures are incorporated in team management plans, PIP summary reports, and any sentinel event corrective action plans. Re-evaluation plans, including measurement methodology and frequency, are submitted to and approved by PIC.

Quality control measures, clinical care monitoring, procedure complication logs, or other peer review activities are utilized at the clinical department level to monitor performance. For department improvement goals, pertinent data are collected using budget reports, productivity statistics, chart reviews, or other appropriate measures.

III. ASSESS

Data analysis is an essential component of the performance improvement plan. All hospital-level data is aggregated and submitted to the Outcomes Manager who utilizes appropriate statistical techniques to analyze and display data. The goal is to develop an analysis process incorporating four basic comparisons: with self, with other comparable organizations, with standards, and with best practice. The Outcomes Management Subcommittee then critically evaluates whether the methods used to display data provide valuable information in an easy-to-understand format.

The statistical analysis provides evidence of variation as well as insight into the processes to determine where the improvement needs to occur. This information is shared with teams, Service Chiefs, and Managers as applicable. Processes are further evaluated or if related to an individual's clinical performance, appropriate action is taken.

Statistical analysis is utilized to determine variances from professionally recognized medical standards and clinical practice guidelines, care map standards established at Memorial Hospital of RI, the specific requirements of our patient population, and comparative national benchmarks from TJC, CMS, UDS, and other reference data bases. Pre-defined criteria, control limits, or trending may indicate a need for targeted study or trigger intensive monitoring and evaluation. Analysis of undesirable patterns, trends or variations includes the adequacy of staff as a possible cause. When analysis reveals a problem with the adequacy of staffing, results and actions taken are reported to the Safety Subcommittee. An annual written report on the results of these analyses and actions taken are reviewed by the Safety Subcommittee. Sentinel events always elicit a root cause analysis and corrective action plan. Other critical events (e.g., significant adverse drug reactions or medication errors, major pre- & post-op diagnostic discrepancies, adverse anesthesia events) are consistently evaluated through established peer review mechanisms.

Results of the data analyses are utilized to identify changes that will improve performance or reduce the risk of sentinel or other untoward events. Changes are identified based on the analysis of data from targeted study or from ongoing monitoring. An improvement / change is selected along with performance measures that help determine the effectiveness of the change and whether it resulted in an improvement. Ongoing monitoring or re-evaluation are implemented to ensure any improvement is sustained over time.

IV. IMPROVE

Once performance improvement priorities are identified, PIC ensures appropriate resources are allocated and involves those individuals, disciplines, and departments closest to the process, function, or service. Changes to improve performance are identified, planned, and tested. Effective changes are incorporated into work functions.

Performance is re-monitored and evaluated. If there is little/no improvement, the change is reassessed to determine appropriateness of the improvement plan. The 'measure-assess-improve' cycle continues until there is evidence of sustained improvement.

Improvement is sustained through education of key staff about the re-designed process, or other changes being implemented. The input of key staff is obtained to refine the process or identify other improvement opportunities. Performance measures are used to determine the effectiveness of the change and ensure improvement is sustained.

Once there is sustained evidence of improvement, the performance measure is frequently utilized as a continuous performance measure when data can be collected as part of the routine work functions. If data collection requires additional resource allocation, an intermittent monitoring schedule may be established. Performance teams are often charged with the mission to re-evaluate the processes or outcomes of care and recommend other improvement priorities to systematically improve our organizational performance within their designated improvement area.

The Outcomes Management Department reports hospital statistical trends and significant findings at the PIC quarterly meeting. Team leader(s) for the performance teams attend PIC meetings to provide an update of progress and discuss plans. Written summary reports with actions taken or planned are compiled by PI Coordinator or Outcomes staff and are reported by team / project leaders to PIC on an annual basis or upon completion of the project. Interdisciplinary Program Coordinators / Committees, Service Chiefs and Department Managers submit an annual written report of relevant findings and recommendations to PIC.

The PI Committee reviews reports and makes recommendations to the Executive Committee of the Staff or Governing Board. Performance team leaders join the PIC administrative liaison in presenting a summary of the issue and improvements to the Joint Conference each quarter and regularly communicate results to hospital staff.

SUMMARY

This Plan is interdisciplinary and multi-dimensional, incorporating various strategies to monitor the quality of care, improve the systems and processes impacting the delivery of care, and evaluate the competence of health care providers. Our underlying premise reflects the principles of continuous quality improvement and our belief in the patient's rights to receive and the health providers' desire to deliver *safe, quality care*. The goal of our hospital performance improvement plan is to provide the systems and education to allow that to become a reality.

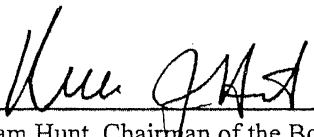
The patient-focused team structure represents an interdisciplinary, comprehensive approach to health care. The data management support systems allow the clinicians to remain focused on providing quality care and determining improvements, eliminating paperwork and duplication of efforts. The active participation of our hospital administrative and clinical leaders ensures a systematic, planned approach to performance improvement and business development.

In concert with our hospital mission, this plan is designed (1) to provide quality, value-focused, safe and accessible health care for our community, (2) to foster needed change through educational strategies and (3) to focus our improvement efforts on those researched-based clinical practice standards that will significantly impact patient outcomes.

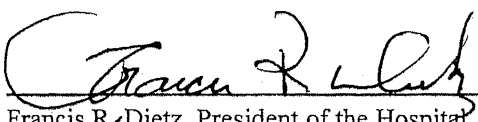
REFERENCES and RELATED POLICIES

<i>Addendum A</i>	PIC Scope of Performance Monitoring
<i>Administration 23</i>	Computer Network Use
<i>Leadership 3</i>	Sentinel Event Reporting
<i>Performance 2</i>	Peer Review Process
<i>Performance 3</i>	Performance Improvement Data Requirements


APPROVED



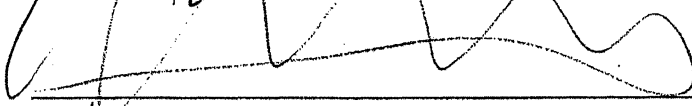
 William Hunt, Chairman of the Board DATE 7/1/2011



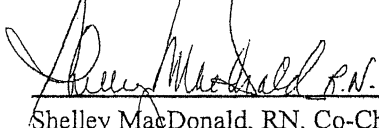
 Francis R. Dietz, President of the Hospital DATE 7/1/2011



 John V. Ladetto, MD, Chair, Executive Committee of the Staff DATE 7/1/2011



 Andrew Artenstein, MD, Co-Chair, Performance Improvement Committee DATE 7/1/2011



 Shelley MacDonald, RN, Co-Chair, Performance Improvement Committee DATE 7/1/2011

ADDENDUM A

PERFORMANCE IMPROVEMENT COMMITTEE
SCOPE OF PERFORMANCE MONITORING

PATIENT SAFETY PROGRAM	
<p><u>Consolidated Leadership Report</u> Reportable Incidents / Case Evaluations / Root Cause Analyses Complaints / Satisfaction Proactive Risk Reduction Hospital Safety (HVA) / Security & Emergency Readiness</p>	<p><u>Ongoing Safety Measures</u> (see External Benchmark - Nursing for Pt Falls) Medication Errors / Hospital-wide Falls / Other Incidents Restraint Usage National Patient Safety Goals Sentinel Event Alert Reviews</p>
PERFORMANCE MEASURES	
<p><u>Critical Processes & Outcomes of Care</u> Code Blue Case Reviews – ? Failure to Rescue Death Notification & Donor Rate Sedation Safety with IVCS / Narcotic Reversals Stroke Thrombolytic Protocol Verification Processes Rapid Response Case Reviews</p>	<p><u>Infection Prevention, Control, and Surveillance Program</u> Bactermia (non-specific) Central Line (Vascular Device) Infections Nosocomial Pneumonia and Ventilator Pneumonia Surgical Site Wound Infections Prevalence of VRE, MRSA and C Diff Adherence to Hand Washing and Infection Control Practices</p>
<p><u>Hospital-wide Pathology Monitors</u> Mortality Rate / Autopsy Rate Transfusion Appropriateness Unlabeled / Mislabeled / Contaminated Specimens Discrepancies between Pre-op & Post-op Diagnosis</p>	<p><u>Medication Use Program</u> Adverse Drug Reactions Drug Utilization Reviews Medication Ordering</p>
<p><u>Surgical Care Program</u> Peri-operative Care Appropriateness - focus * VTE prophylaxis * Prophylactic Antibiotic Use: Timing-Appropriateness-Duration Normothermia Maintenance & Hair Removal Urinary Catheter Removal Peri-Procedure Complications and Mortality ≤ 2 days Surgical Mortality and Complication Review Perioperative Beta Blocker Administration</p>	<p><u>Utilization Management Program</u> Admission Appropriateness Reimbursement Denial Rates Readmission Rates ≤ 31 days & ≤ 7 days Case Reviews Delayed Discharge / Treatment Case Reviews Duration of Stay with Early Transfer to Post Acute Care</p>
<p><u>Special Care Program (ICU & CCU)</u> Deep Vein Thrombosis Prophylaxis Stress Ulcer Disease Prophylaxis Ventilator-Associated Pneumonia Prevention Sepsis Management</p>	<p><u>Medical Record Review Program</u> Delinquency Rates Documentation Compliance (Hospital & Outpatient Records) Medical Record Focused Reviews - quarterly target studies</p>
<p><u>Perinatal Care Program</u> *C-Section Rates (Total; Primary; Repeat, including VBAC Rates) Lacerations 3rd and 4th degree Operative Vaginal Deliveries Birth Trauma Mortality & Complication Review (maternal - neonatal/stillbirth)</p>	<p><u>Cancer Care Program</u> Staging Appropriateness Tumor Board Case Reviews / Clinical Trial Enrollment Patient Care Evaluation Studies - annual target areas x2 Chemotherapy Administration Patient Satisfaction / Education</p>
CARE MAP STANDARDS	
<p><u>Evidence Based Best Practice</u> Medical Chest Pain AND Angina, R/O MI Acute MI* Heart Failure* Pneumonia* Stroke Obstetric Labor, Pregnancy Induced Hypertension (PIH) Labor, Preterm Contractions Pediatric Asthma (2) Bronchiolitis / RSV NOTE: * See External Benchmark Measures - CORE MEASURES</p>	<p><u>MHRI-DEFINED Care Guidelines for High Volume Cases</u> Medical COPD Obstetric Antepartum (3) AND Labor & Delivery AND Post Partum (2) Newborn: Normal AND Special Care Nursery Surgical Cholecystectomy, Laparoscopic Colectomy GU TURP GYN Hysterectomy: Abdominal AND Vaginal NEURO Laminotomy AND Laminectomy ORTHO Repair of Fractured Hip Total Joint Replacement: Hip AND Knee</p>

ADDENDUM A

PERFORMANCE IMPROVEMENT COMMITTEE
SCOPE OF PERFORMANCE MONITORING

EXTERNAL BENCHMARK MEASURES	
<p>TJC / CMS Quality Measures - 100% Inpatient Review</p>	
<p>Heart Failure</p>	<p>Assessment of Left Ventricular Function (LVEF) LVEF < 40% Prescribed ACEI or ARB at Discharge Complete Discharge Instructions Smoking Cessation Counseling 30 day mortality</p>
<p>Acute MI</p>	<p>Timeliness of Thrombolysis: Time & % < 30 mins Aspirin at Arrival Aspirin at Discharge Beta Blocker at Arrival Beta Blocker at Discharge LVEF < 40% Prescribed ACEI or ARB at Discharge Smoking Cessation Counseling 30 day mortality Inpatient mortality</p>
<p>Pneumonia</p>	<p>Antibiotic Time (min) & - % ≤ 6 hours Antibiotic Appropriateness (ICU / non-ICU) Blood Culture - If Obtained, Precedes Antibiotic Rx Pneumococcal Vaccination Influenza Vaccination (Oct - Feb) Smoking Cessation Counseling 30 day mortality</p>
<p>SCIP Infection</p>	<p>Antibiotic within one hour to incision Appropriate antibiotic selection Antibiotics discontinued within 24 hours Appropriate hair removal Appropriate VTE prophylaxis ordered Appropriate VTE prophylaxis received Normothermia Beta blockers perioperative tPA considered Screen for dysphagia Deep vein thrombosis prophylaxis Lipid profile during hospitalization Smoking cessation Education about stroke Plan for rehabilitation considered Antithrombotic medications started within 48 hrs Antithrombotic medications prescribed at discharge Anticoagulants prescribed with atrial fibrillation</p>
<p>Stroke</p>	<p>DM: HgA1C during last 12 months (clinic) Antibiotic within one hour to incision (surgery) Appropriate antibiotic selection (surgery) ASA at arrival (ED) Median time to Fibrinolysis (ED) Fibrinolytic therapy received 30 minutes (ED) Median transfer time for acute coronary intervention (ED) A1C Control Blood Pressure Control CAD/Beta Blocker Therapy Smoking Cessation Advice Depression Screen</p>
<p>NOTE: External Measures only - also see Program PI Plans</p>	
<p>Nursing Dept - National Database for Nursing Quality Indicators (NDNQI)</p> <p>Falls / Injuries Skin Breakdown & Care - quarterly prevalence studies Nursing Care Hours Restraint</p>	
<p>Home Care Program - TJC ORYX measures¹ and OASIS indicators²</p> <p>Improvement in Surgical Wounds¹ Unplanned Hospital Admissions^{1,2} - Emergent Care² Improvement in Pain^{1,2} - Stabilization in Pain¹ Improved Ambulation / Locomotion^{1,2} Improved Toileting² - Transferring² - Dressing² - Bathing² Stabilization in Bathing² - Less Confusion Frequency² Improvement in Medication Management Improvement in SOB Improvement in remaining home at end of home care services Unplanned medical care for new or worsening wound</p>	
<p>Rehabilitation Care Program - Uniform Data System (UDS)</p> <p>Community Discharges Functional Improvement Length of Stay Expirations Hospital Readmissions</p>	
<p>ORYX Performance Measures</p>	
<p>Satisfaction</p>	<p>DOH</p> <p>Hospital Acquired Pressure Ulcer SCIP C.Diff Infections Hand Hygiene CLABSI VAP Employee Flu Vaccine Primary MRSA Bacteremia (CLABSI)</p>
<p>* Press Ganey Survey [adult-pedi-OB-rehab inpatients] • HCAHPS - monthly sample of discharged adults</p>	
<p>NOTE: * See External Benchmark Measures - CORE MEASURES</p>	

ADDENDUM A

PERFORMANCE IMPROVEMENT COMMITTEE
SCOPE OF PERFORMANCE MONITORING

SERVICE / DEPARTMENTAL PERFORMANCE MONITORING & IMPROVEMENT PLANS		
<p><u>Peer Review Program - Mortality, Morbidity, Select Performance Measures</u></p> <p>Anesthesia (see Surgical Care Program) Emergency Medicine (see Emergency Department Report) Medicine Obstetrics / Gynecology (see Perinatal Care Program) Orthopedics Pediatrics Surgery (see Surgical Care Program)</p>		<p><u>Patient Care Service Review - Standards & Improvement Initiatives</u></p> <p>Hospital Clinical Departments (includes peer review within procedural departments)</p> <p>Physician Office Practices</p> <p>Contracted Services - Professional Practice & Competence Evaluation</p>
ORGANIZATIONAL IMPROVEMENT PRIORITIES		
<u>PERFORMANCE TEAMS</u>	<u>Current Team Focus</u>	<u>Special Time-Limited Initiatives</u>
Patient Safety CORE	Medication Errors	<p>Process Improvement Projects (design or redesign, implement & measure processes of care)</p> <p>Corrective Action Plans (develop & evaluate measures of success)</p> <p>Guideline Investigation & Value of Evidence (review & recommend adoption of practice guidelines and measures)</p> <p>Surveys To Evaluate Performance (review & measure standards' compliance)</p>
Access & Flow CORE	Patient Flow (Discharge Process)	
Collaborative Projects	* ICU Blood Stream Infection & Ventilator Associated Pneumonia Bundles	
Performance Evaluation	* Surviving Sepsis Hospital Diabetes Skin Care - Pressure Ulcer Prevention	
Special Project	Fall Team	

NOTE: * See External Benchmark Measures - CORE MEASURES



Performance 2

Title: Professional Practice Evaluation (Peer Review, OPPE, FPPE)

Date: October 19, 2012

INTENT *To set forth the policy for conducting peer review focused professional practice evaluation (FPPE) and ongoing professional practice evaluation (OPPE) of the members of Memorial Hospital of Rhode Island Medical Staff.*

DEFINITION

Peer review is the evaluation of an individual physician's professional performance and includes the identification of opportunities to improve care.

Ongoing professional practice evaluation (OPPE) is a program that allows the medical staff to identify professional practice trends that impact on quality of care and patient safety on an on-going basis. The evaluation consists of an individual physician's professional performance and includes opportunities to improve care based on recognized standards.

Focused professional practice evaluation (FPPE) is a process whereby the medical staff evaluates the competence of a physician who does not have documented evidence of competently performing the requested privilege. FPPE also occurs when a concern is raised about a physician's competence.

POLICY

PEER REVIEW

Members of the of MHRI medical staff are responsible for conducting peer review and mortality and morbidity review process that will assess the performance of individual staff members. Medical staff members are to encourage and support peer review that will render high quality patient care and demonstrate professional performance, sound judgment, clinical and technical skills, ethical integrity and participate in medical education opportunities that may benefit the patient care quality.

Pursuant to Rhode Island General Laws 23-17-40, 23-17-15 and 23-17-25 this process is protected from disclosure or release as a privileged document.

PEER REVIEW PROCESS

1. The Chief of Service and/or designee conducts peer review and establishes criteria for determining how cases are selected and reviewed.
2. Time frames for review must be flexible but consistent.
3. The conclusions from the peer review should be supported by a rationale that encompasses relevant literature with clinical guidelines. The information in various forms will be used in recertification and performance improvement activities.
4. Peer review recommendations, must be tracked over time and monitored for clinical effectiveness.

PROCEDURE

Cases may be identified for review through several methods that include, but not limited to: chart review, direct observation, monitoring of diagnostic and treatment techniques, committee discussion, event reporting, physician/nurse/staff calls or confidential conversations, patient and/or family concerns, internal review and monitoring required by regulatory and/or accreditation standards. In addition to specific cases the following criteria is collected and reviewed where appropriate:

All Departments need to collect and evaluate the following:

- Length of Stay
- Mortality & Morbidity review
- Medical Record documentation
- Re-admission rates within 30 days
- Re-admit within 24 hours

Screening to evaluate the performance of specific physicians is conducted by reviewing some of the measures below:

- Qualifications and ongoing/current competence of Medical Staff Members
- Appropriateness of interventional/surgical case selection
- Issues in transfusion practice
- Medical record documentation
- Clinical review of Code's (Rapid Response Team calls & Stroke)
- Event reporting & Malpractice claims (Risk Management)
- Complications from moderate sedation

Diagnostic and treatment performance on National Quality Indicators when appropriate is monitored:

- Antibiotic prescribing patterns
- Acute myocardial infarction treatment
- Pneumonia treatment
- Congestive Heart Failure treatment
- Intensive Care Unit quality indicators
- Prevention of deep vein thrombosis
- Wound Infection
- Discharge Delay

Individual physician and/or case or procedure-specific peer review may be affirmatively requested when:

- Levels of performance, patterns, or trends vary significantly and undesirably from those expected;
- Performance varies significantly and undesirably from that of other facilities;
- Performance varies significantly and undesirably from recognized standards,
- A serious sentinel event or near miss occurs; or a Medical Staff or Hospital Committee, acting in its peer review capacity and in the course of peer review, otherwise deems review appropriate.

Example, if an elevated wound infection rate is associated with a particular type of surgery, cases done by all relevant surgeons may be reviewed. A particular physician has an unexpected level of procedural complications, cases done by that particular physician may be reviewed. When the detailed practice of a specific physician is reviewed, this is considered Focused Professional Evaluation and is governed by the Medical Staff 5 Policy (Credentialing of the Medical Staff).

REVIEW PROCESS

- The Peer Review group is appointed by the Physician-in-Chief of the Service. Group includes all physicians in the Service or for larger Services; the Chief may appoint specific individuals to serve as members and/or leaders of the Service's Peer Review group.
- Frequency of review sessions is determined based upon the volume and/or complexity of cases requiring review and the findings from Peer Review group meetings (or Departmental meetings) are submitted to the Medical Staff Secretary.

ONGOING PROFESSIONAL PRACTICE EVALUATION (OPPE)

In addition to the peer review process described above, Ongoing Professional Practice Evaluation (OPPE) allows the identification of practice trends that impact on quality of care and patient safety between reappointment cycles. Department Chiefs, Sub-Specialty Chiefs, and their designee are involved in the identification of the performance measures that are used to evaluate members of the Medical Staff assigned to their Department.

All members of the Medical Staff are evaluated on a measure entitled "professionalism". This includes the appropriateness of their interactions with each other, hospital employees, fellows as well as patients and their families. The OPPE evaluation measures for each clinical Department are identified in *Addendum A*. OPPE is conducted every eight months encompassing activity that occurs in the following time period:

- January 1st through
- December 31st

Information obtained about members of the Medical Staff during OPPE may factor into the decision to maintain or revise existing privileges or revoke an existing privilege at the conclusion of OPPE or at the time of the physician's next reappointment as applicable.

The Department Chief or his/her designee and Sub-Specialty Chief or his/her designee is provided with physician specific data relative to the measures outlined in *Addendum A*. The relevant medical staff leader responsible for completing OPPE is responsible for reviewing the information and identifying any areas of concern. Any matters of concern which have been documented and resolved within the Department are so noted.

Similarly, in the event that a medical staff leader identifies a physician specific issue as a result of OPPE, it is expected that it will be reviewed, addressed and resolved and documented within the Department / Service to the extent possible. Patterns of concern or serious matters are referred to the Focused Professional Practice Evaluation (FPPE). Information obtained about members of the Medical Staff during FPPE may factor into the decision to maintain or revise existing privileges or revoke an existing privilege at the conclusion of FPPE or at the time of the physician's next reappointment as applicable. *Hearing and Appellate Review Procedure apply as outlined in Article V Section 9 of the Medical Staff Bylaws*.

FOCUSED PROFESSIONAL PRACTICE EVALUATION (FPPE)

1. If at any time, concerns are raised relative to a physician's current clinical competence, practice behavior and/or ability to perform any of his/her privileges, a period of focused evaluation may be indicated.

Examples include, but are not limited to: (1) information obtained from ongoing evaluation/peer review activities; (2) other evidence suggesting that a physician's performance does not fall within the accepted practice guidelines or standards of care; and (3) failure to comply with the Medical Staff Corrective Disciplinary Action (professional conduct) as outlined in Article V., Section 8 of the Medical Staff Bylaws. A focused review may be triggered by a specific or single event, a sentinel /adverse event, evidence of untoward trends or patterns in clinical practice or department, or other circumstances indicating that patient safety may be compromised.


2. Such matters shall be brought to Chief of Service for clarification and/or direction. After consideration of the facts available, the Chief of Service shall designate an individual (i.e. Associate Chief of Staff, relevant Department Chief or his/her designee) or appropriately constituted peer review group to conduct a focused evaluation as appropriate. Upon review of the findings, if applicable, the Chief of Service may choose to refer the matter to the Executive Committee of Staff for recommendations to the Executive Committee of the Board of Trustees if necessary, and when applicable.
3. Focused evaluations initiated for reasons outlined in #1 above shall be comprehensive and include a detailed review of the circumstances and summary of the relevant issues and, as applicable, clinical findings and course of events. Interviews with other medical staff as well as house staff, nursing staff and other hospital employees may be conducted. The focused evaluation may also include, but is not limited to, one or more of the following (see Addendum B):
 - Comparison of the physician's inpatient/ outpatient complications /outcomes to his/her peers
 - Retrospective or prospective chart review
 - Discussion with other individuals involved in the care of the physician's' patients
 - Monitoring of clinical practice patterns
 - Peer Review
4. Focused evaluation as outlined in #3 above will be conducted by a medical staff leader (Chief, Associate Chief, Sub-Specialty Chief) or a designee. The period of focused review is time limited and should not exceed 90 days. Dependent upon the nature/severity of the situation under evaluation, the type of privilege(s) in question and the physician's overall activity level. The affected physician and his/her Chief/Associate Chief are informed of the duration of the review as well as the mechanisms that will be employed during the review.

At the end of the period of focused evaluation described in #1 above, in the event that the physician's activity at MHRI has not been sufficient to appropriately evaluate his/her competence either: *Hearing and Appellate Review Procedure* apply as outlined in Article V Section 9 of the Medical Staff Bylaws.

NOTE: The Chief of Service has the latitude and discretion to address Medical Staff practice and behavioral concerns outside the FPPE process. Issues addressed with satisfactory outcomes need not proceed to FPPE review and are reported appropriate, by the Chief of Service.

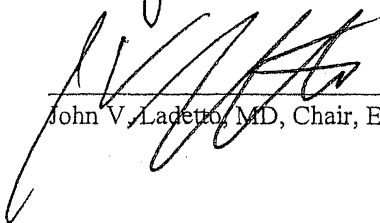
REFERENCES and RELATED POLICIES

<i>Addendum A</i>	OPPE Case Rating Form
<i>Addendum B</i>	FPPE
<i>Leadership 2</i>	Risk Management Program
<i>Leadership 3</i>	Sentinel Event Reporting
<i>Medical Staff 5</i>	Credentialing of the Medical Staff
<i>Performance 1</i>	Performance Improvement Plan
<i>TJC Standards:</i>	MS 08.01.01, 08.01.03, PI 01.01.01
<i>RIDOH License Regs:</i>	23-17-40, 23-17-15 and 23-17-25
<i>Medicare CoP:</i>	A-0183 [482.22(a)(1)]

APPROVED 

 Arthur DeBlois III, Interim President & CEO

10/19/2012
 Date



 John V. Ladetto, MD, Chair, Executive Committee of the Staff

10/19/2012
 Date

Addendum A

OPPE Measures

Anesthesia

Mortality
ASA scoring
Blood Usage of Appropriateness
Medical Record- Inpatient Review
Date and Time

Diagnostic Radiology

Mortality
Length of stay
Readmissions < 30 days
Angiography Complications
CT guided Lung Biopsy Complications
Double Reading Results
Medical Record - Inpatient Review
Date and Time

Emergency Medicine

Mortality
Repeat Presentation to ED within 48 hours
Antibiotic for Pneumonia
Thrombolytic for Acute Myocardial Infarction
ASA and Beta-blockers for Acute Myocardial Infarction
Appropriateness of Discharge Instructions
Medical Record- Review
Date and Time

Family Medicine

Mortality
Length of stay
Readmissions <30 days
Blood Usage of Appropriateness
Medical Record- Inpatient Review
Date and Time

For those practicing Obstetrics

Caesarean Section Rate
Caesarean Section Appropriateness
VBAC Rate

Internal Medicine

All subspecialties, including Dermatology and Neurology

Mortality
Length of Stay
Readmissions <30 days
Blood Usage of Appropriateness
Medical Record- Inpatient Review
Date and Time

Obstetrics and Gynecology

- Mortality
- Length of Stay
- Readmissions < 30 days
- Caesarean Section Rate
- Caesarean Section Appropriateness
- VBAC Rate
- Stillbirth <28 weeks
- Instrumentation Morbidity
- Blood Usage of Appropriateness
- Wound Infections
- Medical Record- Inpatient Review
Date and Time

Pathology

- Biopsy Turnaround Time
- Variance with Outside Pathology Review
- Tumor Board Case Review

Pediatrics

- Mortality
- Length of Stay
- Readmissions <30 days
- Transfer appropriateness
- Appropriateness of Discharge Instructions
- Medical Record- Inpatient Review
Date and Time

Psychiatry

- Timeliness of Consult
- Appropriate Interaction with Trainees

Surgery

General Surgery, ENT, Orthopedics, Podiatry, Neurosurgery

- Mortality
- Length of Stay
- Readmissions < 30 days
- Returns to OR within 30 days
- Timeliness Operative notes
- Procedure Appropriateness
- Blood Usage of Appropriateness
- Wound Infections
- Medical Record- Inpatient Review
Date and Time



Addendum B
FOCUSED PROFESSIONAL PRACTICE EVALUATION

Physician Name: _____ Department: _____

Date: _____ Section: _____

Please consider the physician's performance and indicate your response to the following questions in the appropriate box. "NO" answers must be accompanied by an explanation.	YES	NO
1. Has the physician exercised the new privileges indicated on the attached privilege delineation sufficiently to enable you to assess current competence, judgment and skills based upon demonstrated performance? If YES, please answer #2 and #3 below. If NO, proceed to "Recommendation" at the bottom of this page.	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the physician demonstrated current competence?	<input type="checkbox"/>	<input type="checkbox"/>
3. Upon which of the below do you base your evaluation of this physician (check all that apply)		
• Direct observation	<input type="checkbox"/>	
• Chart review	<input type="checkbox"/>	
• Monitoring clinical practice patterns	<input type="checkbox"/>	
• Proctoring	<input type="checkbox"/>	
• Peer Review	<input type="checkbox"/>	
• Discussion with other individuals involved in the care of his/her patients (e.g. consulting physicians, assistants at surgery, house staff/clinical fellows, nursing staff)	<input type="checkbox"/>	
• Other	<input type="checkbox"/>	
4. To your knowledge, have there been any issues regarding the physician's professionalism and/or interactions with patients, medical staff or other hospital staff?	<input type="checkbox"/>	<input type="checkbox"/>

Recommendations (please check one and comment as indicated)

I have reviewed the full range of new privileges for this physician. Based upon my knowledge and/or observation and discussion with his/her peers, I recommend that the Focused Professional Practice Evaluation (FPPE) be:

- considered complete and the current privileges continued through the physician's next scheduled reappointment
- considered complete however, the privilege(s) listed below have been resigned by the physician as he/she does not intend to use it (them) at Memorial Hospital of RI.

 (all other privileges shall be continued through the physician's next scheduled re-appointment)
- continued specifically to further evaluate performance relative to the privilege(s) listed below

- continued for six (6) months as there is not sufficient activity at Memorial Hospital of RI for me to evaluate this physician at this time

Comments:

Department Chief Name

Signature

Date



Title: Performance Improvement - Data Review Process

Date: October 14, 2011

INTENT To ensure the authorized use of valid and reliable data for performance improvement activities.

POLICY

Exchange of patient or hospital information with external entities is limited to that required by regulatory or accrediting agencies or for hospital selected voluntary performance improvement programs. The provision of data to any external entity requires a written contract outlining methods for protecting patient and hospital confidentiality. In addition, the use of any data for comparative purposes must include within the contract or as a referenced attachment, the following components:

- (1) data specifications with definitions of the elements and description of the attributes;
(2) methods for ensuring data quality and maintenance; and
(3) defined guidelines for access, transmission, security, and use of data.

Approval to participate in an external data base must be obtained from the Chief Executive Officer (Administration 23). Clinical data exchange is first reviewed and approved through the hospital Performance Improvement Committee. Prior to approval, arrangements for electronic data transmission must be coordinated with Information Services and Health Information Management when applicable.

The relevance, validity, feasibility, and value of participating in voluntary performance improvement programs are re-evaluated prior to each contract renewal to ensure the measures are aligned with our hospital mission and goals.

All data released to external users must define abstraction procedures that ensure validity, reliability, completeness, and currency of data. Prior to release, all data must undergo expert review for data accuracy with editing as needed. The person identified as responsible to ensure all data has been reviewed must authorize each data transmission.

Data requests to support internal performance improvement activities are encouraged but require approval of the Department Manager / Chief of Service. The inclusion of patient identifiers must be justified for each request. Data use for hospital-wide and departmental performance measures is reviewed annually for relevance, validity, feasibility and value by the Performance Improvement Committee. The Outcomes Management Department is available to assist clinicians in structuring reports and analyzing clinical data to avoid inaccurate data interpretation and obtain the most meaningful data.

REFERENCES and RELATED POLICIES

- Administration 23
Record of Care, Treatment & Services 4
Record of Care, Treatment & Services 6
Information 7
Patient Rights 9
Performance 1
Computer Network Use
Confidential Information - Medical Record Release
Medical Record Access, Protection, Retention, & Destruction
Data Standards and Definition of Terms
Privacy Protection for Patients: Reporting & Releasing Information
Performance Improvement Plan
(see also Performance 2: Peer Review & Leadership 3: Sentinel Event)

APPROVED

[Signature]
Martin Tursky, President

10/14/2011
Date

VNA of CARE NEW ENGLAND

Title: <u>Risk Management/Safety and Corporate Compliance Plan</u>		Policy: <u>PI-011</u>
Responsible Department/Committee: <u>Performance Improvement</u>		
<input checked="" type="checkbox"/> Administrative	<input checked="" type="checkbox"/> Policy	Reviewed Date: <u>10/97, 7/8/98, 9/99</u>
	<input type="checkbox"/> Procedure	<u>10/1/99, 05/01, 9/02, 10/03, 3/04, 12/05</u>
<input type="checkbox"/> Clinical	<input type="checkbox"/> Process	<u>4/07, 12/08, 3/10, 5/11, 8/12</u>
	Original Date: <u>7/1/96</u>	
Departmental	Supersede Date: <u>3/25/10</u>	Effective Date: <u>8/12</u>

Purpose: To describe the responsibilities, accountabilities, audit mechanisms and reporting requirements for the Risk Management and Corporate Compliance activities of the organization. Risk Management and Corporate Compliance activities are integrated with the continuous quality improvement/performance improvement (CQI/PI) initiative.

Goal: The goal of Risk Management and Corporate Compliance is to effectively manage operations to decrease the potential liability to the organization.

Philosophy: Risk Management and Corporate Compliance activities are guided by the mission, vision, values, goals, objectives and code of conduct of the organization.

A. Objectives:

- 1) To promote quality of care to patients and families.
- 2) To assess risks in the delivery of care and service.
- 3) To monitor risk exposures in clinical, financial, regulatory and employee arenas.
- 4) To prioritize monitoring for select patient diagnoses, clinical procedures and treatments that demonstrate significant risk for complications, frequency of occurrence, and adverse health outcomes which are integrated into the Performance Improvement Plan (Organizational Policy Performance Improvement Plan)
5. To identify problems, including potential areas of non-compliance that should be prioritized for quality/performance indicator development and study. To take action on the areas for correction.
- 6) To continuously monitor problems that have potentially adverse outcomes.
- 7) To minimize the adverse effects of unexpected losses at reasonable cost.

B. Responsibilities and Accountabilities:

- 1) The Board of Directors is responsible for the Risk Management and Corporate Compliance activities of the organization. The Board delegates these activities to the Chief Executive Officer (CEO) who assigns the responsibility for operations of the plan to the Manager of Compliance and Utilization. The Board receives reports from the system-wide Corporate Compliance Officer.
- 2) The Manager of Compliance and Utilization oversees Risk Management and is a liaison for Corporate Compliance activities within the organization. The system Corporate Compliance Officer oversees entity activities which include the compliance audits, communications and training on code of conduct and regulatory issues, coordination of the investigative action plan if necessary, and the anonymous reporting system for compliance problems. At the organizational level, the Corporate Compliance Liaison implements the activities and provides reports through the organizational PIC and to the system Corporate Compliance Officer. The system CCO reports as necessary to the VNACNE Board and CNE Committee
- 3) The Management Team is accountable for conducting Risk Management activities within their departments, educating and involving staff in risk assessment, including potential areas of non-compliance, data collection, analysis, trending and collaboration for corrective action. Adherence to the compliance plan is an expectation for all agency staff. A discussion related to observations of compliance within the agency will be part of the exit interviews conducted with staff leaving agency employment.
- 4) Communication of Risk Management and Corporate Compliance activities occurs according to organizational structure.
- 5) The system Corporate Compliance Officer, in collaboration with VNACNE Corporate Compliance Liaison, may communicate directly to the Board if usual channels of authority are not effective for non-compliance problems. The managers are responsible for identifying problems that are high risk and addressing them in a timely manner within their departments. Situations that merit reporting to senior management staff are those with significant potential for serious patient outcome due to error, non-compliance issues, those with potential for litigation, and/or for serious public relations implications.

C. Committee and Departmental Responsibilities

- 1) The VNACNE Corporate Compliance Liaison, in collaboration with the system CCO ensures that all required elements of the plan as detailed in the Federal Sentencing Guidelines are complete. The PIC reviews audit findings and prioritizes indicators for review on an annual basis that become part of the overall Performance Improvement Plan.

C. Committee and Departmental Responsibilities (cont.)

- 2) **The QI department** is responsible for integrating Risk Management /Corporate Compliance activities within the Performance Improvement Plan, through the operations of the Performance Improvement Committee. The purpose of the committee is to coordinate and facilitate the improvement of important functions across the organization with risk management identified with the function of Environmental Safety and Equipment Management, and Corporate Compliance identified with the function of Leadership. Yearly mandatory education includes Corporate Compliance activities, where employee attendance is logged.

- 3) **The Safety Committee** is responsible for input to the risk management sections of the RM/CC Plan, focusing the committee's efforts on employee awareness of patient and employee safety, minimizing risk and enhancing the quality of the home and work environment.
The Safety Committee reviews patterns and trends for falls, staff endangerment, and other applicable risk issues as reported on the Confidential Occurrence Report. Employee accidents reported on the Occurrence Report, are completed for any employee injury or blood or body fluid exposure and are sent to the Occupational Health Specialist. The Occupational Health Specialist is notified of the first day of work that an employee is away from work due to a work related injury and of the date the employee returns to work (see Occupational Health Program Policy). Legal counsel is accessed as necessary. Findings that suggest the need for more intensive review, or initiation of a Performance Improvement Team, are suggested by the Performance Improvement Committee and authorized by the CEO. Those that require a root cause analysis and corrective action plan are detailed in the Sentinel Event Policy. Reports of the findings, conclusions, recommendations, actions and follow-up evaluation are conducted in the aggregate detailing specific trends including, for example, lost time from work, by the Safety Committee with minutes submitted for approval to the Performance Improvement Committee (PIC). Findings are utilized to design wellness and prevention programs in order to minimize work related injuries.

- 4) **Organizational policies and procedures** are developed to guide practice, with the goal of minimizing variation and risk in practice and promoting compliance with regulations. The QI department consults with senior management for assimilating applicable standards, regulations, clinical practice guidelines and outcome based care paths to assist in setting standards for practice. Staff is trained in a patient safety education program including: risk activity assessment, medication error, and prevention. Staff is accountable for being knowledgeable on organizational policy and procedures to guide them in practice. They are responsible for identifying risks in practice and reporting them to managers to evaluate for corrective action.

C. Committee and Departmental Responsibilities (cont.)

- 5) Issues related to **Human Resources** are referred for programmatic follow-up, if necessary, to the Manager of Human Resources, who is a member of the Performance Improvement Committee. Potential employees are checked against the Medicare Sanction List prior to final hire. The Human Resources department conducts periodic reviews not to exceed annually, of personnel files to assure that candidate screening follows applicable labor laws. New employees and contract staff are oriented to the components of the Risk Management and Corporate Compliance Plan and sign an attestation that they will abide by the organization's Code of Conduct while receiving a copy. Disciplinary policies include management approaches for how to address alleged fraudulent activity. Job descriptions include a statement on the organizational expectations for Corporate Compliance.
- 6) Issues of **financial** concern are referred to the CEO and CFO, and on an annual basis, the financial audit is completed by an independent auditing firm. The report is presented to the Board for review and approval. The system Corporate Compliance Officer participates in the Board review and approval.
- 7) The organization reviews all contracts with outside agencies/personnel for compliance with The Joint Commission and Medicare regulations and applicable laws. Specific review is done to assure that no service is done with an expectation of referrals in return for service. Referrals to more than one DME are made, gifts are not accepted (see Policy "Gifts and Gratuities") and physician ownership arrangements, if applicable, are legally reviewed. Advertisements and promotional materials are reviewed to prevent potentially misleading claims.
- 8) **Information Systems** concerns are handled by the VP of Clinical Operations. The Manager of Compliance and Utilization is responsible for security of Medical Records for purposes of confidentiality. The appropriate procedure for correcting omissions or errors in the medical record is detailed in the Medical Record Management Policy. Confidentiality of health care information is referenced in the Policy "Confidentiality". Access to computerized information is limited and is referenced in the Information Services Plan.
- 9) External requests for medical record information are handled through the Q.I. Specialist.

D. Reportable Occurrence /Flow of Information:

1. Reportable occurrences through the Confidential Occurrence report mechanism for patient and systems events are detailed on the Confidential Occurrence form (Addendum 1). Definition of these topics is described on the form for use by individuals generating the report. Reports of corporate non-compliance may be done using this form (see "Reporting System for Non-Compliance") and can be delivered anonymously to QL.

- 2) Occurrence reports are sent to the appropriate department manager. The department managers are responsible for obtaining the necessary facts when an Occurrence report is generated and to follow-up on the problem and institute the corrective action. The appropriate manager oversees involved staff and is responsible for documenting the final outcome of the investigation of the occurrence and the performance improvement actions initiated to prevent same occurrence. Resolution is communicated back to the patient or staff initiating the report by the manager. Incidents of a most serious nature require initial verbal notification to senior management, immediately. The written report is completed within 24 hours of the event. The completed Occurrence Report is then sent to QI Administrative Assistant to enter into database. Aggregation of patterns and trends of information from the confidential Occurrence Report is done by QI Administrative Assistant. QI Administrative Assistant does the following triage of information at least quarterly appropriately:

Those reports regarding falls; patient, staff and building endangerment; medication errors/adverse drug reactions are sent to the Safety Committee Chair and those regarding problems with care and corporate non-compliance are sent to the Chair of Clinical Standards Committee. Those requiring ethics consultation are sent to the Ethics Committee. The final summary report of all findings is delivered to the Performance Improvement Committee and further reduced for report to the Board of Directors (see flowchart-addendum 2). Specific audit information pertaining to Corporate Compliance is presented to the Performance Improvement Committee. Recommendations for staff education stemming from Risk Management and Corporate Compliance findings are made to the Manager of Compliance and Utilization and the VP of Clinical Operations. The Manager of Compliance and Utilization is the Chair of Performance Improvement Committee. System events are reported to the VP of Clinical Operations who reviews them with the Clinical Managers and reports to the PIC on a regular basis.

- 3) **Customer Satisfaction** data is obtained on a regular basis and analyzed by the Clinical Standards Committee for trends. Complaints noted on the Patient Satisfaction survey and occurrence reports are referred to the Clinical Standards Committee who aggregates the data. Follow-up is indicated on the Occurrence report. Trends of complaints are reported to the Performance Improvement Committee. Complaint data that may suggest the need for more intensive review, and/or the launching of a Performance Improvement team which is recommended by the Performance Improvement Committee and authorized by senior management staff. Patient or physician complaints that are of serious or recurring nature are referred to the department manager, by Occurrence Report, who collaborates with senior management as appropriate to resolve the issue. Patient complaints are followed up with the patient in a sensitive manner to assure completeness of information while promoting patient comfort in expressing concerns.
- 4) **Regulating and accrediting body surveys and reports** also suggest Risk Management/Corporate Compliance opportunities for improvement and are reported as applicable to Management and the Performance Improvement Committee when allocating resources for performance improvement, on an annual and an as needed basis.
- 5) **All department functions have input to the plan**, including the the Occupational Health Specialist, Information Services Manager, Compliance and Utilization Manager and Human Resources Manager where important environment of care issues are most likely addressed: safety, accidents and injuries, hazardous materials and wastes, emergency preparedness, fire safety, equipment management, and utility systems.

E. Risk Management and Corporate Compliance Process:

The steps in the risk management and corporate compliance process are assessment, monitoring, analysis and evaluation.

• Assessment:

Environmental: When providing service in designated risk areas, the clinical staff uses their judgment as to whether visits should be made jointly and during what time of the day. When in question, the clinical staff person collaborates with the manager to determine the best course of action, balancing quality and continuous care of the patient with safety of staff. Staffs that are caring for patients that are determined to be high risk need to seek consultation with Risk Management to assure safety procedures are in place, and to evaluate whether criteria exist to continue the patient on service. While in the patient's home, staff should remain alert to ease of egress should a threatening situation occur. If suspicious and/or apparently illegal activities are going on in the home, staff should exit the home, and notify the manager for further information.

If behavior is escalating in the home, and individuals cannot be redirected, staff attends to only what is absolutely necessary at the time and exit the home. If behavior escalation is imminent, staff should make an immediate exit, notify their manager, and call the police if necessary. When parking outside a patient's home, staff should not leave valuables in car, or carry valuables while delivering care. Discriminate use of the VNACNE sign in the car window is recommended to avoid drawing individuals to the car that could be planning theft of medical supplies. When approaching the car, staff should have keys ready. If there is an allegation of stolen or missing property in the home, this is reported to the Clinical Manager. The individual or their manager informs the patient of their option to notify the police and of the procedure regarding an internal investigation.

An Occurrence Report is generated in the event of a security threat/ occurrence and appropriate education and policy and procedure is evaluated to address the occurrence. In the event that an object is broken in the home, the staff individual who is first aware of the incident fills out an Occurrence report and submits to the manager of the department. In collaboration with Human Resources and QI and Education, the determination is made as to whether to submit a claim to cover the expense to the organization's insurance carrier.

Office: Department managers are responsible for environmental rounds in addition to routine safety audits conducted by the Safety Committee, assessing for risk situations, such as safety problems, ergonomically correct security of belongings or information issues, or other environmental hazards. These are immediately reported to the members of the Safety Committee. Each suggestion is evaluated for resolution, the response is forwarded to the individual who made the suggestion and if anonymous, the response is published in the organization's newsletter.

A Confidential Occurrence Report is generated for office risk situations, and appropriate education and policy and procedure is established to address the occurrence. Environmental safety issues, including natural disasters, bomb threat, security, fire and evacuation, power failures, hazardous substance spills and medical emergencies in the office are referenced in the Organizational Policy "Emergency Plan". Electrical safety is evaluated by Safety Rounds checking for the safe use of cords, equipment, appropriate preventative maintenance, safe use of outlets and grade three prong plug use only. The Risk Management Committee and senior management staff approves the Emergency Plan with components tested annually to evaluate effectiveness. Follow-up evaluations to Emergency Plan tests are reported to the Risk Management Committee, the Performance Improvement Committee, and senior management staff.

Patient: The patient's home is assessed for risk factors per organizational policy entitled "Assessment". Patients who are not able to be safely cared for at home are evaluated on admission for continuation on VNACNE service, or safely transferred to another facility or appropriate option for care. Patients are only accepted if the organization has the capacity to care for them. (Refer to Policy "Acceptance of Referrals"). Patients are educated on their responsibilities in care, documentation is complete to ensure teaching was done, and the response to teaching is evaluated and documented. Ongoing safety assessments are performed.

Patient occurrences are reported as described in the Confidential Occurrence Report (Attachment 1), with trends and patterns identified, and completed intervention documented including: counseling of employee, policy/procedure development or education on patient diagnoses, treatments and procedures that demonstrate significant risk for complications, frequency of occurrence, and adverse health outcomes which are prioritized for evaluation through the Performance Improvement Plan. Standards of care for the high-risk situations are prioritized for development. Quality/performance indicators, such as Patient Satisfaction information, that uncover a high risk or problem prone situation are prioritized for improvement and standards of care for high-risk situations are prioritized for development. Record audit is completed for every admission incorporating compliance with regulations to the review. Interdisciplinary and case conferences are completed for care coordination, assurance of adequate time to meet patient needs and for compliance with applicable law and regulation.

E. Risk Management and Corporate Compliance Process:

• Assessment:

Employee: Employees receive annual education on safety, risk and corporate compliance factors as described in organizational policy "Staff Education Plan", and on the appropriate risk assessment procedures for patients' homes through organizational and departmental orientation. Managers evaluate employees' compliance with Risk Management and Corporate Compliance procedures by reviewing Confidential Occurrence reports, Employee Accident reports, clinical record documentation, observations on joint visits and through interdisciplinary and case conferencing as described in organizational policy "Supervision of Clinical Staff".

Administrative: A Corporate Compliance audit is done annually that involves more routine law and regulation compliance items. Special items may receive more intense assessment if previous year's data suggests the need for such review. Programs projected to be developed are evaluated for legal review. Initial and significantly revised contracts for care and service receive legal review to minimize liability, and maximize corporate compliance. Laws and regulations are continuously tracked for changes by the organization's legal counsel with notification to the Corporate Compliance Liaison who facilitates translation into policy and procedure.

F. Risk Management and Corporate Compliance Monitoring:

High risk and problem prone indicators are referenced in the Indicator plan summary and revised each year, as necessary. The occurrence report database provides information concerning areas requiring more intense assessment for clinical, financial or corporate compliance purposes. The flow of information is described in Item D with corresponding flow chart ("Occurrence Report Flow Chart" Addendum 2). Following the initial corporate compliance audit prioritized corporate compliance indicators are selected for continuous monitoring and are incorporated into the PI Indicator Summary. On a monthly basis, the physician orders, clinical documentation and billing itemization is compared for accuracy prior to billing. Discrepancies are followed up on a case by case basis and summarized results are reported to applicable committee. Those with clinical significance are reported to the Performance Improvement Committee.

G. Reporting System for Non-Compliance:

The Confidential Occurrence Report system may be used to report an instance of non-compliance, and may be done anonymously with the document directed to the Corporate Compliance Officer. Staff is encouraged to bring their concerns of non-compliance to their manager..

In cases where an employee notes behavior contrary to this Organizational Ethics Statement and its attendant policies, he or she has a responsibility to report such behavior to his or her immediate supervisor. In cases where an issue is too sensitive to discuss with the supervisor, two additional avenues of communication are available to report violations – Care New England’s Compliance Officer (401-453-7534) or the Care New England Toll Free Integrity Line (877-835-5263).

The Integrity Line is staffed 24 hours a day, seven days a week by an outside firm professionally trained to take calls about ethical issues, or arrange for answers to any questions about ethical issues. Callers to the toll free Integrity Line can either identify themselves or remain anonymous. At the close of a call, an anonymous caller can elect to receive an identification number and a specific time to call back to check on the status of the reported concern.

Everything possible is done to protect the identity of callers to the toll free Integrity Line. No tracking, tracing or recording devices are ever used. Should a caller’s identity become known, our policy prohibits retaliation of any kind.

The severity of the issue determines the route of report. Severe infractions of regulations require immediate report to governmental bodies through organizational counsel.

H. Investigation Action Plan

A. It is our policy to fully comply with outside agency investigations including providing access to information, records, and personnel, upon proper legal authority and with the advice and guidance of legal counsel.

1) In the event that an employee of the VNACNE becomes aware of an investigation of the VNACNE by any outside regulatory authority, (s)he must immediately notify the CEO or in his/her absence, the Director, Clinical Services.

2) In the event that a representative from any outside regulatory authority appears at the VNACNE offices seeking information, records, or access to VNACNE personnel, we will first seek to clarify the nature of the inquiry, request appropriate identification from the investigator(s), and contact legal counsel.

3) The VNACNE will then, upon advice and guidance from legal counsel, comply with the request for information records, or access.

4) Documents will be released to investigators upon proper authority. Full copies of all released documents will be produced and maintained in our files.

5) It is our policy to honor, as best we can, investigator requests to interview VNACNE personnel. We will make legal counsel available at such interviews should an employee elect to be interviewed at our offices and/or request legal counsel to be present.

I. Risk Management and Corporate Compliance Analysis & Reporting Frequency:

The occurrence report databases including non-compliance issues and audit results are analyzed by the Performance Improvement Committee for patterns and trends to recommend interventions on an organization wide basis to senior management. On a regular basis, reports are presented to the Performance Improvement Committee. A summary report is provided to the Board of Directors on an annual basis, at a minimum, regarding the status of Risk Management and Corporate Compliance activities, and the need to revise the plan. New audit measures, as appropriate, are incorporated into the Performance Improvement Indicator Summary to assure integration and reporting of organizational improvement activities. Department managers review departmental information for patterns and trends to recommend targeted interventions.

J. Risk Management and Corporate Compliance Plan Evaluation:

The initial Risk Management and Corporate Compliance Plan are approved through the Board of Directors. On an annual basis, as part of the Performance Improvement Plan evaluation, Risk Management and Corporate Compliance activities are evaluated for their effectiveness and efficiency. The PI Plan and Risk Management and Corporate Compliance Plans are re-evaluated and revised as necessary, with corresponding changes to the Performance Improvement Indicator Summary as indicated.

Chief Executive Officer

Lancey Peely

Date

*9-20-2012***Risk Management and Corporate Compliance Policy and Document Cross References:****Policies**

- Acceptance of Referral
- Audit (Financial Services)
- Billing & Follow-up Procedures
- Code of Conduct
- Confidentiality Policy
- Conflict of Interest
- Contract Review
- Admission and Assessment
- Discharge and Transfer
- Corrective Action (Human Resources)
- Day/Time Sheets
- Employee Conduct

- Employee Performance Management
- Employee Orientation
- Gifts & Gratuities
- Management of Ethical Dilemmas
- Medical Record Management
- Notification of Medicare Non-Coverage
- Physician Orders and Collaboration
- PI Plan - Corporate Compliance Indicators and audit Schedule
- Release of Confidential Information
- Staff Education Plan
- Supervision of Clinical Staff
- Medicare Sanction List
- Blood and Body Fluids Post Exposure Protocol
- Occupational Health Program
- OSHA Exposure Control Plan

Addendum

- Confidential Occurrence Report Form
- Occurrence Report Flow Chart

VNA of CARE NEW ENGLAND

Title: <u>Program Evaluation</u>		Policy: <u>PI-007</u>
Responsible Department/Committee: <u>Performance Improvement</u>		
<u>X</u> Administrative	<u>X</u> Policy	Reviewed Date: <u>5/95, 12/97, 8/98, 9/99, 10/1/99, 5/01, 9/02, 6/02, 6/04, 12/05</u>
	<u>X</u> Procedure	
<u> </u> Clinical	<u> </u> Process	<u>2/07, 12/08, 3/10, 5/11, 8/12</u>
	Original Date: <u>6/28/94</u>	
<u> </u> Departmental	Supersede Date: <u>3/25/10</u>	Effective Date: <u>8/12</u>

PURPOSE: To describe the process for evaluating the organization's programs. The organization monitors, measures, evaluates and improves the quality of its programs and services on a regular on-going basis. A program evaluation is completed on an annual basis which provides a basis for setting performance improvement and strategic operating goals. The Clinical Services and Quality Improvement Committee reviews and approves the program evaluation, thereby insuring that there is consumer and provider involvement in the evaluation process. The evaluation includes an analysis of the effectiveness of organizational policies and procedures and the extent to which the organizations' programs and services are appropriate, adequate, effective and efficient.

POLICY STATEMENT (S):

A. The objectives of the program evaluation include the following:

1. Improve the quality of the organization's services.
2. Assess whether the organization is meeting the needs of those patients it services.
3. Maintain organizational accountability with regard to practice and documentation.
4. Access whether the organization is reaching a sufficient portion of those people who could be expected to need service.
5. Assess whether professional policies of the organization need revision for efficient and effective functioning.

B. Components to be evaluated in the program evaluation include but are not limited to the following areas:

1. Applicable policy, procedures, and review;
2. Organizational structure and system;
3. Achievement of goals;
4. Programs including quality of services and products, (appropriateness, adequacy, effectiveness and efficiency);
5. Human Resources Management;
6. Financial Management

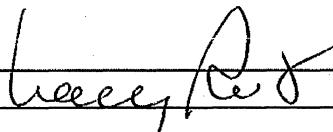
C. Statistical analysis areas of review are considered for inclusion as appropriate:

1. Population served - total number of clients;
2. Types of services provided - total number of service units (visits, hours, encounters);
3. Numbers of service units by patient, age, sex, diagnosis;
4. Average number of service units by patient;
5. Number of service units by discipline;
6. Reason for discharge and condition on discharge;
7. Number of clients not accepted, with rationale.
8. Visit costs;
9. Productivity figures;
10. Clinical record review findings;
11. Services Program Evaluation:
 - Demographic data significant to service program
 - Program changes during the year
 - New services added
 - New or added demands for service
 - Identification of problems in service area
 - Staff needs
 - Resources needed for improvement
 - Collaborative efforts with other groups
 - Recommendations for changes in program service

D. Each Manager is responsible for contributing to the data collection and evaluation process and for responding to the recommendations made as a result of the program evaluation.

E. The CEO is responsible for overseeing the Program Evaluation process. Results of the program evaluation are reported to the Board of Directors through the Clinical Services and Quality Improvement committee with indicator study input from the Quality Improvement Team.

Chief Executive Officer



Date 9-20-2012

VNA of CARE NEW ENGLAND

Title: Performance Improvement Plan and Patient Safety Plan		Policy: PI-005	
Responsible Department/Committee: Quality Improvement/Education			
<input checked="" type="checkbox"/>	Administrative	<input checked="" type="checkbox"/>	Policy
			Reviewed Date: 8/11/97, 9/98, 10/99
			Procedure 5/01, 9/02, 6/04, 12/05, 4/07, 9/08,
	Clinical		Process 3/10, 5/11, 8/12
		Original Date:	4/96
	Departmental	Supersede Date:	3/25/2010
		Effective Date:	8/12

Mission Statement:

VNA of CARE NEW ENGLAND (VNACNE) is dedicated to providing quality patient health care and safety and developing programs and resources to benefit the community. This mission is accomplished by working with providers, consumers and community-based organizations to address changing health care needs.

Purpose & Philosophy:

The purpose of the Performance Improvement Plan (PI Plan), for the Home Health and Hospice programs is to measure how well the organization meets its mission through a planned, systematic, organization wide approach to process design, performance measurement, analysis, improvement, monitoring and evaluation. The leaders, by their commitment to a philosophy of continuous quality improvement (CQI/PI), set the priorities for improvement and allocate the appropriate resources to achieve the objectives of the plan. The plan is reflective of the full scope of services and is driven by the requirements of the customers: the community; patients/clients/families; physicians; employees and other health care providers, since processes are designed and improved with the customer in mind.

Processes are continually improved by integrating organization wide measures with interdepartmental planning for customer satisfaction with the expected outcome of performing the appropriate action correctly the first time. All employees have a responsibility for operationalizing the philosophy of CQI/PI. This is accomplished through participation in developing indicators for study, interdisciplinary collaboration and implementation of follow up action. Processes are established interdepartmentally as well as system wide. Integration and effectiveness of these processes are reviewed and assessed for problem identification and resolution. The plan includes specificity of individual and organizational performance evaluations to assure follow-up action is appropriately targeted to the practitioner and/or the system that needs improvement. Processes are evaluated based on their value from both a quality outcome and cost effectiveness dimension where possible.

Accountability:

The governing body of the organization is ultimately responsible for the quality of patient care and safety delivered and delegates this accountability to the CEO and the Clinical Services and Quality Improvement Committee. The organization's Chief Executive Officer (CEO) is responsible for overall supervision of CQI/PI/patient safety efforts. Senior management enacts the plan by allocating resources to operationalize the plan and by prioritizing improvements in collaborations with managers.

Title: Performance Improvement Plan and Patient Safety Plan**Policy: PI-005**

Where more resources are required to solve quality performance problems, a performance improvement task force is considered to address the issue. Managers are responsible for collaborating across organizational functions to ensure corrective action is done with reports through established channels. The Quality Manager, as chair of the Quality Improvement Team, (QIT) is responsible for assessing, planning, implementing, and evaluating the CQI/PI activities. The Quality Manager or designee coordinates committee meetings, ensures that monitoring is proceeding on schedule, and provides support with indicator study identification, data collection and computation necessary for completion of final reports. All CQI/PI activity reports are communicated to the organization's CEO, the QIT, Clinical Services and Quality Improvement Committee, and the Care New England Quality Committee. Recommendations and prioritization for improvement are coordinated through the management team. The methods of educating organization staff on CQI/PI efforts, and the staff's role in CQI/PI efforts is a shared management activity. The QIT makes recommendations concerning methods of ongoing staff education, and continually emphasizes the need for staff feedback on P.I. activities.

Program Objectives:

The plan is implemented to assure that there are:

1. Mechanisms to design and improve program and processes consistent with the mission, customer input, and clinical benchmarks when possible.
2. Data, as prioritized by leaders to collect, is analyzed and reported using applicable statistical quality control tools, provided to the governing body and other regulatory agencies to assure that quality care is delivered.
3. Ongoing measurement processes in effect to monitor the stability of existing processes, identify opportunities for improvement, identify changes that will lead to improvements and sustain improved performance.
4. Data is systematically aggregated and analyzed on an ongoing basis, statistical techniques are used to analyze and display data and comparisons are used as available to evaluate performance.
5. Quality improvement efforts in evidence at every level of the organization.
6. Communication mechanisms to departments that reflect findings, opportunities for improvement, suggested actions and follow up to those actions.
7. Results of performance improvement measures (e.g., competency evaluations, education program evaluations, indicator studies, etc.) are integrated into improvement efforts.
8. Clear job expectations based on policy, procedure and standards of practice are evaluated and communicated to the staff, including the governing body.

9. Mechanism to incorporate CQI/PI with Risk Management, Corporate Compliance and patient safety activities to promote doing the right thing well.
10. Systems to provide education opportunities for all staff members to increase their knowledge and participation in CQI/PI activities.
11. Mechanisms designed to gain patient, family, staff, external customers, and physician input for leaders to prioritize and determine opportunities for improvement
12. Mechanism to respond to Sentinel Events
13. Evaluations of all events via the Event reporting system, including client and staff follow-up and, when appropriate, organizational attorney consultation with a goal of prevention, particularly of Sentinel Events.

Structure:

The structural components of the VNACNE Performance Improvement Plan are as follows:

1. The Agency is responsible for designing, measuring, assessing, and improving the care, patient outcomes and service they provide, and for maintaining and improving patient safety.
2. Department directors are responsible for continuously assessing and improving the performance of care and services and patient safety provided and for maintaining quality control programs, as appropriate and for the overall coordination of data collection and for reporting collected data to the department members. This plan shall identify new programs and services to be offered and relevant performance measures to assess the performance of those programs/services, existing processes that are targeted for improvement and relevant performance measures, and other important processes not targeted for improvement and relevant performance measures. Members of each department are responsible for participating in the development of this plan, in identifying new programs and services to be offered, in the collection of data as requested by the department director, in the assessment of performance measure data and other relevant information in conjunction with the department director, in the identification of priorities for improvement, and in the evaluation of the effectiveness of those action plans.
3. The Board is responsible for the quality of services provided and patient safety and delegates the oversight function to the Clinical Services and Quality Improvement Committee and the CEO.

Patient Safety Plan

Structure Cont'd:

4. The Clinical Services and Quality Improvement Committee is responsible for the professional issues associated with the interdisciplinary provision of care (personnel qualifications, quality of patient/client care, clinical record policies, medical supervision and standards of care, program evaluation). The organizational QIT reports relevant performance improvement data to the CS & QI committee at prescribed intervals throughout the year. The Performance Improvement (PI) report is then delivered to the full Board at regular intervals by a Board representative of the Clinical Services and Quality Improvement Committee, in collaboration with the CEO.
5. The CEO and Director of Clinical Operations are accountable for collaborating with managers on improvement priorities and for assuring that resources are allocated in order for departments to achieve these goals.
6. The QIT collaborates with the management team for coordinating the implementation of the PI Plan and integrating utilization management, education, regulatory and accreditation issues, and risk management activities into the plan.
7. Information Services is accountable to provide guidance in the content development of data reporting and writing the report for data reporting.
8. The education department is responsible for the planning and education of staff on the PI initiatives to be implemented.
9. The QIT is responsible for receiving quality reports, and assuring that an objective methodology is used for performance improvement including patient safety, in regards to concurrent and retrospective reviews. The QIT assures that the performance improvement effort is:
 - representative of the major relevant functions and processes
 - based on quality indicators
 - focused on corrective action and inclusive of follow-up to assess effectiveness
 - inclusive of intense assessment when:
 - * performance is significantly different from comparison organizations
 - * performance varies significantly from standards (practitioner and system performance)
 - * there is a significant adverse drug reaction
 - * there are significant errors related to medication use
 - * there is a potential sentinel events
10. Organizational Standing Committees contribute to improving performance based on their purpose and objectives (see organizational policy "Standing Committees PI-014")

A systematic approach for performance improvement utilized is Plan Do Study Act (PDSA)

Title: Performance Improvement Plan and Patient Safety Plan

Policy: PI-005

Process:

• **Performance Measurement (Indicator Selection and Development)**

The organization prioritizes the functions/processes to be monitored .e.g. medication management (See Performance Improvement Plan) It is an objective measurable, well defined variable relating to the structure, process, or outcome of patient care. Outcome indicators are developed accordingly, based on current knowledge, prior audit results, trends, clinical experience, literature review and other external sources for new technologies, best practices and regulatory committees. Data is collected from a representative random sample of the population. The dimensions of performance of relevant processes are considered to measure the level of performance, such as outcomes, efficiency, appropriateness, availability, timeliness, effectiveness, continuity, safety. The goal of performance measurement is to assist leaders in assessing whether further improvement of the process is needed or whether other opportunities for improvement should be prioritized. Patient/client satisfaction is continuously monitored along with other outcome indicators.

Some outcome indicators are monitored through Occurrence reports. The aggregate results are reported through established channels, and contribute to leaders' assessment of opportunities for improvement. The Agency is proactive in reducing and addressing unanticipated adverse events and safety risks to patients

Health outcomes are measured in qualifying Medicare and Medicaid patients utilizing the Outcomes Assessment and Information Data Set (OASIS).

Annual indicators are outlined in a Performance Improvement Plan Indicator Monitoring Tool and are reviewed annually by the QIT as part of the PI Plan's annual evaluation.

Indicators are monitored until goal is met and sustained times two measures. Findings are documented in the Findings, conclusions on opportunities for improvement and Action and Follow-up format by reporting groups and departments that include an assessment of the data to understand variation, interpretation of results and recommendations on next steps, responsibility for actions and follow-up evaluation to those actions.

The QIT is composed of staff from the leadership and the management team, QI, and staff representatives as applicable and chaired by the Quality and Regulatory Compliance Manager. Chairpersons of standing committees sit on QIT and report on committee activities regularly including patient safety.

The Clinical Standards/Patient Satisfaction Committee is responsible for the reporting on Patient Satisfaction Survey and complaint reports, utilizing benchmarking as appropriate. QI coordinates audits, collects data, analyzes data, reports trends and recommends. In particular, the quarterly recommended clinical record review is coordinated by The Leadership team who sets priorities to develop action plans.

Reporting groups and departments monitor indicators relative to their important functions or processes as determined by the leaders. The responsibilities for measurement of important functions and processes are allocated to the appropriate committees, programs, or services to assure that a representative sample of activities are monitored to meet the objectives of the plan.

Title: Performance Improvement Plan and Patient Safety Plan

Policy: PI-005

The Performance Improvement Indicator Plan Summary depicts the measure as derived from select important functions and processes and incorporates applicable dimensions of performance and patient safety. This plan is evaluated annually and reviewed and updated quarterly.

Integration of Services / Methodology

The organizational structure for the QIT reflects the interrelationship of all departments in CQI/PI/Patient Safety efforts. The areas of infection control, quality improvement and risk management interface with clinical teams and non-clinical departments as applicable, prior to reporting to the QIT. The QIT receives all reports and triages the appropriate reports to middle management, senior management, the CS & QI and the Board. Collaboration occurs with the Chairperson of a committee targeted to assist in improvement activities.

Confidentiality and Access to Data:

Data collected on quality of care as part of the Performance Improvement Plan is considered confidential and is utilized for internal peer review purposes only. The identity of patients/clients and providers is handled by number or code or are reported in the aggregate. Access to the data is limited as defined in organizational policy and by HIPAA regulation and procedures.

Conflict of Interest:

See organizational policy "Conflict of Interest".

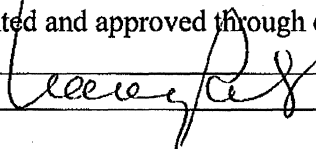
Annual Reappraisal:

Annual review and reevaluation of the Performance Improvement Plan is performed by the Performance Improvement Committee. The process includes the following:

- Review & evaluation of the Performance Improvement Plan Objectives
- Review of organizational goals relative to Performance Improvement Review of each Program, department, task force, or committee's annual Performance Improvement activities.

The review and reevaluation is documented in a report that describes the degree to which the plan's objectives were met; e.g., the scope and effectiveness of CQI/PI activities, with recommendations for further improvement, approved by the Clinical services and Quality Improvement Committee, senior management, and the Board. This report, entitled the Performance Improvement Plan Evaluation will also fulfill the program effectiveness dimension of the annual Program Evaluation. A revised Performance Improvement Plan policy, if necessary, will be presented and approved through established channels.

Chief Executive Officer



Date 9.20.2012

VNA of CARE NEW ENGLAND

Title: <u>Addressing Complaints, Concerns and Compliments</u>		Policy # <u>PI-001</u>
Responsible Department/Committee: <u>Performance Improvement/Education</u>		
<input checked="" type="checkbox"/> Administrative	<input checked="" type="checkbox"/> Policy	Reviewed Date: <u>8/97, 9/98, 10/1/99, 5/01, 9/02, 2/04, 12/05, 4/07, 9/08, 3/10, 5/11, 8/12</u>
<input type="checkbox"/> Clinical	<input checked="" type="checkbox"/> Procedure <input type="checkbox"/> Process	
<input type="checkbox"/> Departmental	Original Date: <u>7/15/96</u> Supersede Date: <u>9/2002</u>	Effective Date: <u>8/12</u>

PURPOSE: To describe the process for patient/client/families/staff/physician and referral source complaints, concerns, and compliments to be addressed for all Agency programs.

DESCRIPTION:

The management team works to assure that channels of communication are open and active between the organization, staff and the patients, physicians, referral sources and community served. Managers provide a specific channel through which patients/client/families/staff/physicians and referral sources can seek solutions to problems, concerns and unmet needs and an opportunity to express positive comments. Patients/clients/families/staff/physicians and referral sources are enabled to obtain solutions to problems through the manager who facilitates resolution of problems with internal departments and coordination among departments if necessary.

POLICY STATEMENT (S):

- Each patient/representative shall be advised upon admission of his/her right to present a complaint/compliment.
- Compliments and complaints are captured on the designated complaint/compliment form.
The following vehicles are used to obtain such comments:
 - Face to face discussion
 - Phone call(s)
 - Letter(s), Card(s)
 - Patient satisfaction surveys
 - Patient/Client concerns or compliment form
 - Active Patient Survey
- In the event that a complaint arises, the staff member or manager notes the complaint and resolution if able to be addressed immediately on designated complaint/compliment form within 1 business day.
- If complaint unable to be resolved immediately the manager has 5 business days if complaint is not urgent (see Criteria for "Urgent" Complaints) in which to investigate and develop service recovery plan. If complaint is "Urgent" and unable to be immediately resolved the complaint is forwarded to manager and VP of Clinical Operations for resolution in 24 hours. See policy on "Risk Management/ Corporate Compliance PI-011". All activity is documented on designated complaint form.

- The manager will review all complaints received within 2 business days.
- The manager investigates contributing factors pertinent to the complaint and suggests options for resolution in collaboration with staff and other managers. The VP of Clinical Operations or designee notifies the complaint source the follow-up action and resolution. Investigation includes analysis of the full scope of the identified complaint and options for resolution. A verbal or memo notification is sent to internal staff/ department as appropriate.
- The QI department documents on the occurrence database the complaint/compliment, follow-up, resolution and patient / referral source notification. The aggregated complaints/compliments are assessed for patterns and trends.
- Complaints are reported quarterly to Clinical Standards Committee and to Performance Improvement Committee. The Performance Improvement Committee will address negative patterns and trends.
- Compliments are reported quarterly to the Clinical Standards Committee..

PROCEDURE:

Step	Action	Points of Emphasis
1.	<p>Complaint/Concern Process</p> <p>a. Patient/Family/Staff//physician and referral source makes verbal or written complaint.</p> <p>b. Person receiving complaint collects initial information if able to resolve complaint immediately do so then contact manager and document on appropriate complaint form. If employee unable to resolve complaint contact manager.</p> <p>c. Assess urgency of complaint. If URGENT: forward complaint to VP of Clinical Operations for investigation and resolution within 24 hours. VP of Clinical Operation documents complaint on appropriate complaint form after investigation and resolution and notifies complaint source of service recovery plan.</p> <p>d. Compliant documentation forwarded to Quality Department for documentation in database for tracking and trending and for sending resolution letters.</p>	<p>Identifying the root cause of the complaint is helpful in problem resolution. See policy on "Risk Management /Corporate Compliance PI-011". The person/source making the complaint will be contacted by the appropriate manager to discuss follow-up actions and resolutions.</p> <p>Criteria for Urgent Complaint</p> <ul style="list-style-type: none"> • Complainant states they will never use Agency services again. • Extremely "angry"-difficult to diffuse • Involves Security of Safety issue • Threatens lawsuit • Threatens to file complaint with Regulator agency • Threatens to call TV, newspapers or Other media.

Title: Addressing Complaints, Concerns and Compliments Policy #PI-001

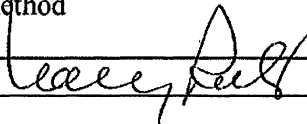
Step	Action	Points of Emphasis
	<p>e. For Urgent complaint the VP of Clinical Operations or designated appointee contacts complaint source in 10 business days (if patient still active with agency) to ensure patient satisfaction with agency services and follow through with service recovery.</p> <p>f. If complaint is Not Urgent it is forwarded to appropriate manager on appropriate form.</p> <p>g. Manager contacts complaint source within 2 business days and documents discussion on appropriate designated complaint form.</p> <p>h. Manager investigates complaint, develops service recovery plan and notifies complaint source of action plan. Documentation of complaint, resolution and notification of complaint source forwarded to QI Department for data entry, classification of complaint and generating trending reports.</p> <p>i. If indicated, QI Department prepares written resolution letter to complaint source. A copy of the letter is kept with complaint in the QI Dept.</p> <p>j. If the concern cannot be resolved through the organization, the individual is to be encouraged by the organization to contact the Joint Commission.</p> <p>k. If the complaint concerns an employee, the complaint and follow-up activities/resolution is documented on the Documentation of Complaint and Follow up Form with employee signature and comments and is filed in the employee's personnel file using only the patient ID number.</p>	<p>Complaint(s) made by the patient(s)/ client's family or guardian, regarding treatment or care that is / or fails to be furnished, or regarding the lack of respect for the patient/client or the patient's/ client's property by anyone furnishing services on behalf of the Home Care provider. Agency will investigate the existence of the complaint and resolution of the complaint will be documented.</p>

Step	Action	Points of Emphasis
	<p>1. If complaint is received during active telephone patient survey the manager will contact patient or caregiver to investigate complaint further and work towards resolution of issue. Manager will document resolution on active survey form and return to QI Assistant. Two weeks following active complaint resolution the QI Assistant will forward a copy of the survey back to the manager who will follow up with patient/caregiver (if still on service) within 2 business days to ensure patient satisfied with agency services. Manager will document patient/caregiver comments and sign, date and return survey to QI Assistant.</p>	
2.	<p>Compliment Process:</p> <p>a. Compliment is noted or attached on a Confidential Occurrence Report – the compliment section. (see attached)</p> <p>b. If an employee is identified, a copy of the compliment/ occurrence form is sent to the employee’s manager to share with the employee. A copy may be placed in the personnel file,</p>	

Attachments:

- 1) Confidential Occurrence Report
- 2) Patient/Client Concerns/Compliments form
- 3) Documentation of Complaint and Follow-up form
- 4) Active Telephone Survey Process and Form
- 5) Service Recovery Flow Sheet
- 6) Service Recovery Form
- 7) The Calm Method

Chief Executive Officer



Date 9-20-2012

PILGRIM TITLE

INSURANCE COMPANY 450 VETERANS MEMORIAL PARKWAY - SUITE 7A EAST PROVIDENCE, RI 02914 P. 401.274.9100 F. 401.274.9102

Preliminary Report of Title as of December 4, 2012 at 4:00 p.m.

No representations are made as to the state of the title prior to July 1, 1910 at 10:23 a.m. or subsequent to December 4, 2012 at 4:00 p.m. This Report is based upon a full title search of the Land Evidence Records of the City of Pawtucket and all recording references refer to instruments recorded in said Land Evidence Records.

FILE #23232

PROPERTY: 111 Brewster Street
Pawtucket, RI
APlat 35, Lot 305

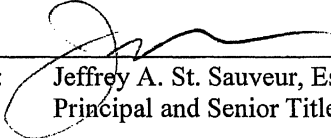
OWNER: The Memorial Hospital by virtue of Indentures recorded in Book 137 at Page 112; in Book 139 at Page 365 and in Book 159 at Page 26; *EXCEPTING THEREFROM*, the premises conveyed to the City of Pawtucket by Bargain and Sale Deed dated August 25, 1916 and recorded on August 30, 1916 at 10:25 AM in Book 181 at Page 349. (NOTE: Evidence of southerly triangular portion through which Beechwood Avenue passes and recorded lots on Prospect Park Plat not recorded.)

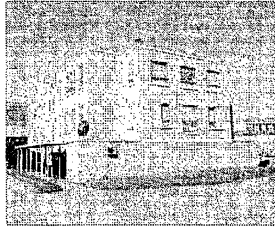
ENCUMBRANCES:

1. Covenants and agreement set forth in instruments recorded in Book 137 at Page 112; in Book 139 at Page 365 and in Book 159 at Page 26.
2. Zoning Board Decisions recorded in Book 850 at Page 329; in Book 866 at Page 196; in Book 1092 at Page 70; in Book 1180 at Page 171; in Book 2233 at Page 215 and in Book 2859 at Page 206.
3. Department of Planning and Redevelopment Letters recorded in book 2167 at Page 332 and in Book 2708 at Page 107.
4. Certificate of Zoning Compliance recorded in Book 2701 at Page 345.
5. Outstanding real estate taxes, water, sewer, and other municipal charges, assessments, and fees, which may represent a lien on the premises.
6. Defects in title, liens, mortgages, encumbrances, easements, agreements and all other matters created and attaching to the premises prior to July 1, 1910 at 10:23 a.m. or subsequent to December 4, 2012 at 4:00 p.m.

The maximum amount of liability incurred by Pilgrim Title Insurance Company with respect to this Preliminary Report of Title shall not exceed the cost of said Report. This is not a commitment for title insurance. This is not a Certificate of Title under Massachusetts General Laws.

Pilgrim Title Insurance Company

By: 
Jeffrey A. St. Sauveur, Esquire
Principal and Senior Title Attorney



Map/Lot/Unit : 35 / 0305 / /
 Location: 111 BREWSTER ST
 Owner Name: MEMORIAL HOSPITAL
 Account Number: 350305

Parcel Value

Item	Current Assessed Value	FY 2012 Assessed Value
Buildings	56,292,200	56,292,200
Xtra Bldg Features	1,074,000	1,074,000
Outbuildings	40,000	40,000
Land	6,350,300	6,350,300
Total:	63,756,500	63,756,500

Owner of Record

MEMORIAL HOSPITAL
 174 ARMISTICE BLVD
 PAWTUCKET, RI 02860

Ownership History

Owner Name	Book/Page	Sale Date	Sale Price
MEMORIAL HOSPITAL	0/		0

Land Use

Land Use Code	Land Use Description
950	Hospital

Land Line Valuation

Size	Zone	Assessed Value
13.41 AC	RM	6,350,300

Construction Detail

Building # 1	
STYLE Hospital	Stories: 1
Exterior Wall 1: Brick	Exterior Wall 2: Stucco
Roof Cover: Average	Interior Wall 1: Drywall
Heating Fuel: Oil	Heating Type: Hot Water
Bldg Use: Hospital	Heat/AC: Heat/Ac Split
Baths/Plumbing: Average	Ceiling/Wall: Average
Wall Height: 10	Occupancy: 1
	Roof Struct: Gable
	Interior Floor 1: Vinyl/Asphalt
	AC Type: Central
	Frame Type: Masonry
	Rooms/Prtns: Average

Building Valuation

Living Area: 20,915 square feet Year Built: 1920

Outbuildings

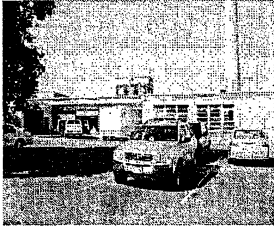
Code	Description	Units
No	Outbuildings	

Building Sketch



Subarea Summary

Code	Description	Gross Area	Living Area
BAS	First Floor	8366	8366
FBM	FINISHED BASEMENT	8366	4183
FUS	Finished Upper Story	8366	8366



Construction Detail

Building # 2

STYLE Garage

Occupancy: 1

Exterior Wall 2: Brick

Roof Cover: Tar + Gravel

Interior Wall 2: Drywall

Heating Fuel: None

AC Type: None

Heat/AC: None

Stories: 1

Exterior Wall 1: Concr/CinderBl

Roof Struct: Flat

Interior Wall 1: Minim/Masonry

Interior Floor 1: Concr Abv Grad

Heating Type: None

Bldg Use: Com Garage Shop

Frame Type: Masonry

Building Valuation

Living Area: 6,680 square feet

Year Built: 1986

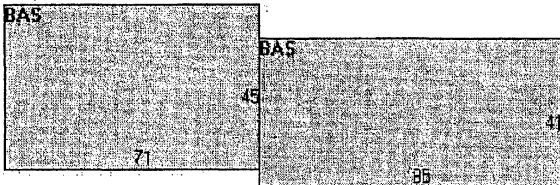
Outbuildings

Code Description

Units

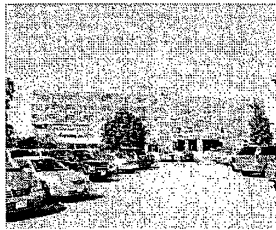
No Outbuildings

Building Sketch



Subarea Summary

Code	Description	Gross Area	Living Area
BAS	First Floor	6680	6680



Construction Detail

Building # 3

STYLE Hospital

Occupancy: 1

Roof Struct: Flat

Interior Wall 1: Drywall

Interior Floor 2: Carpet

Heating Type: Hot Water

Bldg Use: Hospital

Frame Type: Masonry

Stories: 7

Exterior Wall 1: Brick

Roof Cover: Tar + Gravel

Interior Floor 1: Vinyl/Asphalt

Heating Fuel: Oil

AC Type: Central

Heat/AC: Heat/Ac Split

Building Valuation

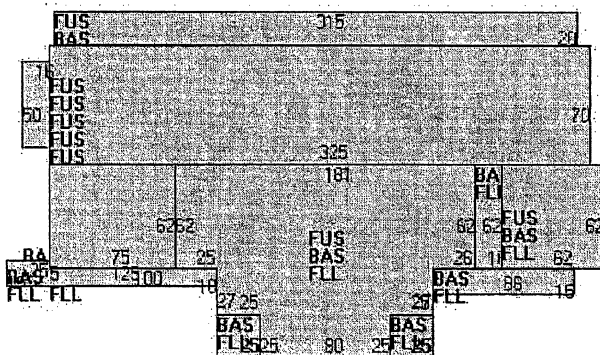
Living Area: 252,505 square feet

Year Built: 1890

Outbuildings

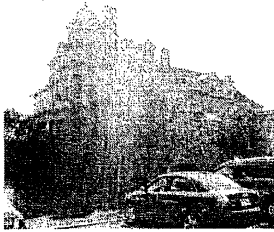
Code	Description	Units
PAV1	Paving Asph	40000 SF

Building Sketch



Subarea Summary

Code	Description	Gross Area	Living Area
BAS	First Floor	59983	59983
FLL	FIN LOWER LVL	36433	29146
FUS	Finished Upper Story	163376	163376
UBM	Basement	22750	0



Construction Detail

Building # 4

STYLE Hospital

Occupancy: 1

Roof Struct: Irregular

Interior Wall 1: Drywall

Interior Floor 2: Carpet

Heating Type: Hot Water

Bldg Use: Hospital

Frame Type: Wood Frame

Stories: 3

Exterior Wall 1: Brick

Roof Cover: Asphalt Shingl

Interior Floor 1: Vinyl/Asphalt

Heating Fuel: Oil

AC Type: Central

Heat/AC: Heat/Ac Split

Building Valuation

Living Area: 69,768 square feet

Year Built: 1920

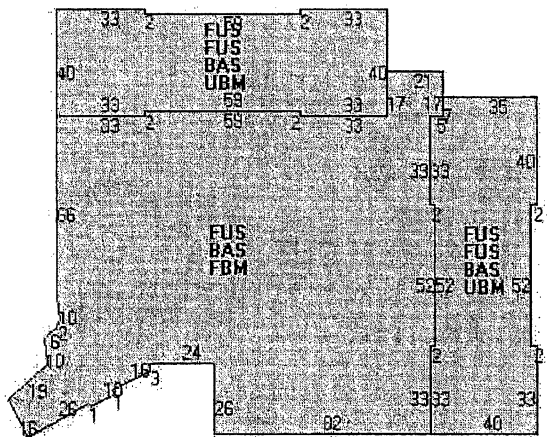
Outbuildings

Code Description

Units

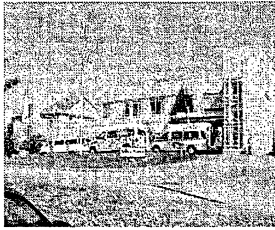
No Outbuildings

Building Sketch



Subarea Summary

Code	Description	Gross Area	Living Area
BAS	First Floor	26003	26003
FBM	FINISHED BASEMENT	16482	8241
FUS	Finished Upper Story	35524	35524
UBM	Basement	9521	0



Construction Detail

Building # 5

STYLE Hospital

Occupancy: 1

Roof Struct: Flat

Interior Wall 1: Drywall

Heating Fuel: Oil

AC Type: Central

Heat/AC: Heat/Ac Split

Stories: 1

Exterior Wall 1: Brick

Roof Cover: Tar + Gravel

Interior Floor 1: Vinyl/Asphalt

Heating Type: Hot Water

Bldg Use: Hospital

Frame Type: Wood Frame

Building Valuation

Living Area: 35,707 square feet

Year Built: 1930

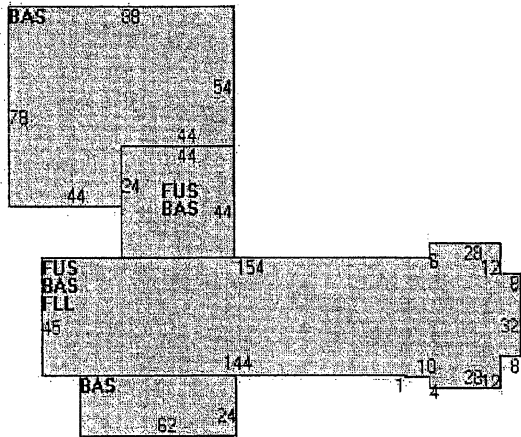
Outbuildings

Code Description

Units

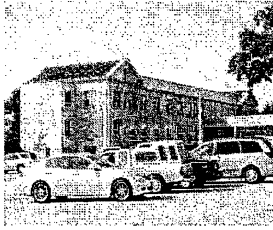
No Outbuildings

Building Sketch



Subarea Summary

Code	Description	Gross Area	Living Area
BAS	First Floor	17996	17996
FLL	FIN LOWER LVL	8764	7011
FUS	Finished Upper Story	10700	10700



Construction Detail

Building # 6

STYLE Hospital

Occupancy: 1

Roof Struct: Irregular

Interior Wall 1: Drywall

Heating Fuel: Oil

AC Type: Central

Heat/AC: Heat/Ac Split

Stories: 1

Exterior Wall 1: Brick

Roof Cover: Tar + Gravel

Interior Floor 1: Vinyl/Asphalt

Heating Type: Hot Water

Bldg Use: Hospital

Frame Type: Wood Frame

Building Valuation

Living Area: 19,983 square feet

Year Built: 1920

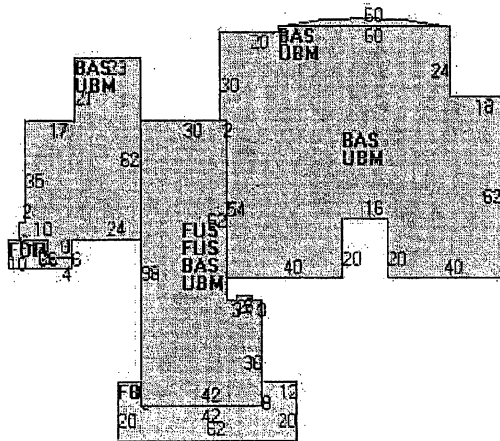
Outbuildings

Code Description

Units

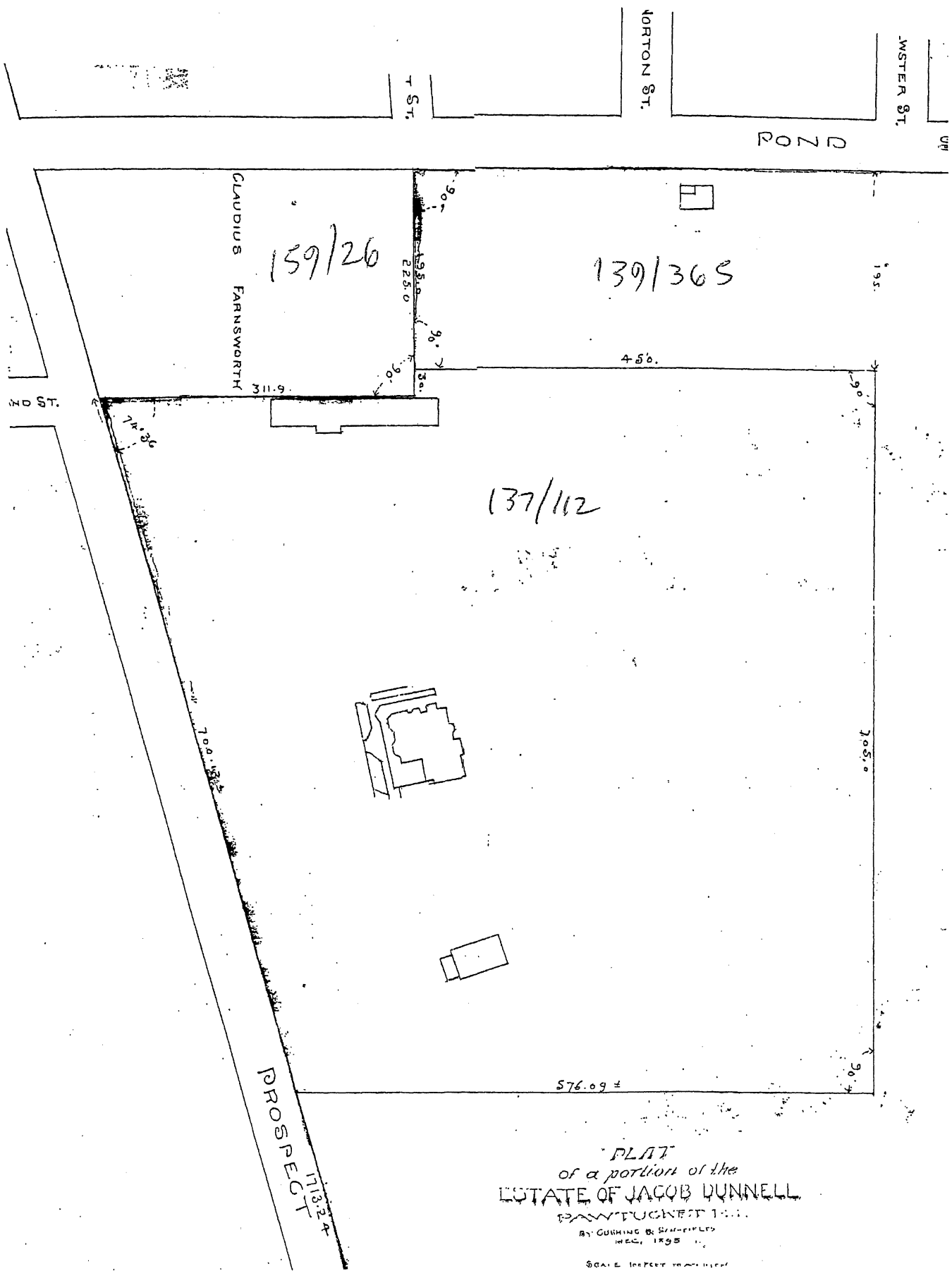
No Outbuildings

Building Sketch

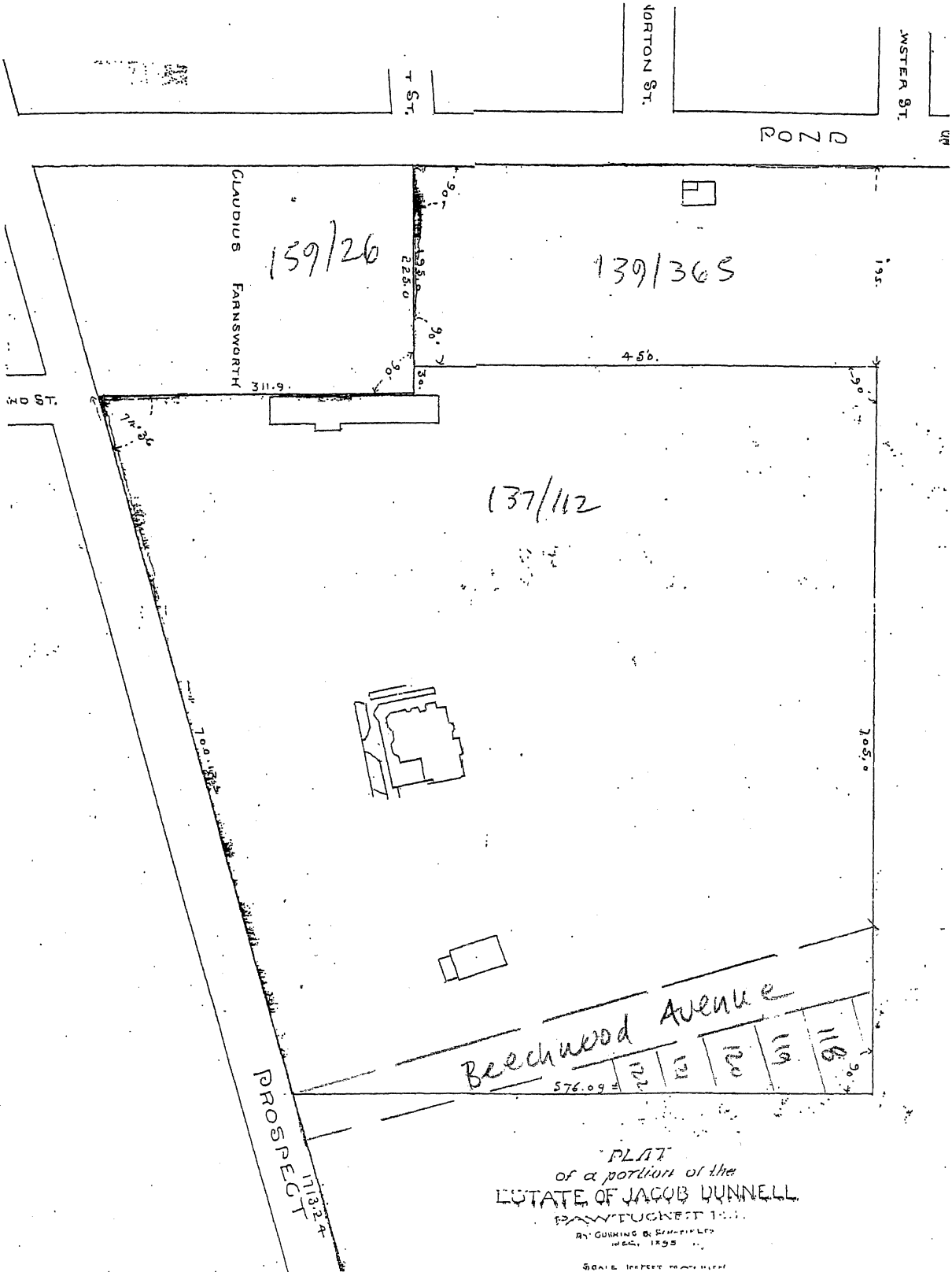


Subarea Summary

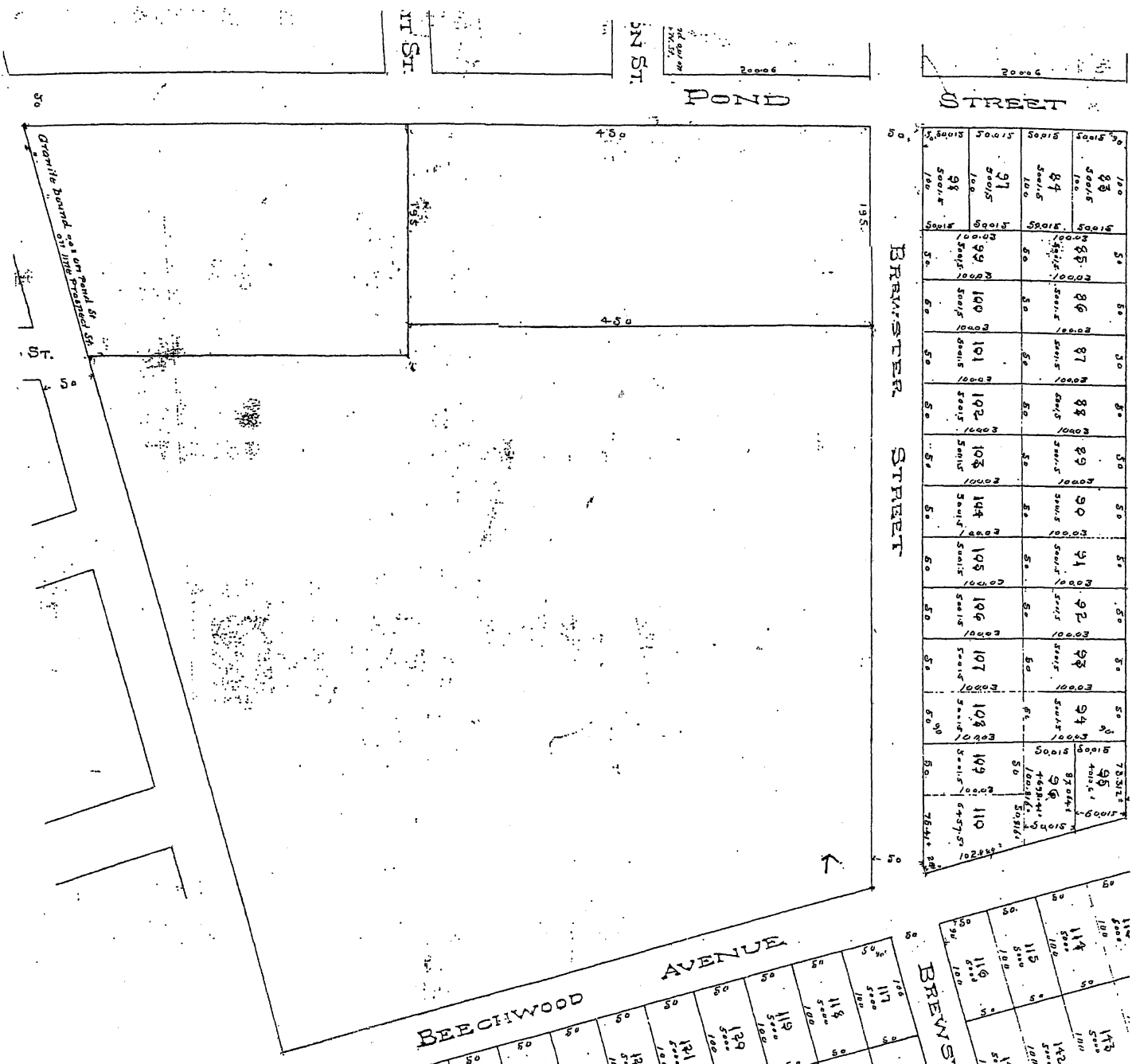
Code	Description	Gross Area	Living Area
BAS	First Floor	13215	13215
FOP	Open Porch	1076	0
FUS	Finished Upper Story	6768	6768
UBM	Basement	13215	0



PLAT
 of a portion of the
 ESTATE OF JACOB DUNNELL
 PAWTUCKET R.I.
 BY GURRING & BUNNELL
 REC. 1895
 SCALE 100 FEET TO AN INCH



PLAT
 of a portion of the
 ESTATE OF JACOB DUNNELL
 BRAINTUCKET TOWNSHIP
 BY GURRING B. BRIDGEMAN
 1895
 SCALE: 100 FEET TO AN INCH



100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00

117	118	119	120	121	122	123	124	125
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00

141	142	143	144	145	146	147	148	149	150
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00

BOARD OF ALDERMEN
 April 8th 1896
 Referred to Joint
 Standing Committee
 on the subject
 Adm. W. Libbey
 Clerk

PROSPECT PARK PLAT

OF THE DUNNELL HOMESTEAD ESTATE
 PAWTUCKET R.I.

Surveyed and platted by Cushing & Schofield.

MARCH 1896

April 29th 1896
 ordered recorded
 Adm. W. Libbey
 Clerk

137/112

WHEREAS, William F. Sayles, late of the City of Pawtucket, in the County of Providence in the State of Rhode Island, in and by his last will and testament, which was duly probated by the Probate Court of the City of Pawtucket, provided that his executor, his son Frank A. Sayles, out of the estate of said testator, should apply the sum of not exceeding two hundred thousand dollars for the purpose of making some suitable gift or gifts to charitable uses, to serve as memorials to his deceased wife and daughter, Mary Wilkinson Sayles and Martha Freeman Sayles; and said testator further provided that "my said son shall in the exercise of his best and most thoughtful discretion select and endow such form or forms or objects of charitable gifts as shall be best adapted for the intents aforesaid, and it shall be lawful for my said son to select one or more objects or gifts as a memorial for my said wife, and another object or objects of gift as a memorial for my said daughter, or to select one or more objects of gift for both, and it shall be lawful for my said son to make such scheme or provisions for the establishment and management of any charity or charities under this clause of my will as to him may seem best. But all such gifts or charities and all such schemes shall in all respects conform to the laws relating to gifts to charitable uses in the State of Rhode Island to the end that any charity established or created as aforesaid shall remain in perpetuity and continue to be a memorial of the person or persons in whose name or names it has been established."

And Whereas, for the purpose of carrying out the said provision of the will of William F. Sayles, the said Frank A. Sayles has acquired and now holds the estate hereinafter described and conveyed; and has erected a building on said estate, suitable for the general uses and purposes of a hospital, and has furnished said building and

equipped the same with proper and necessary instruments and appliances required or suitable for a hospital;

And Whereas, Lyman M. Darling, Pardon E. Tillinghast, and their associates, have heretofore organized a corporation under the laws of the State of Rhode Island, by the name of The Memorial Hospital, for the purpose of erecting, establishing and maintaining, in the City of Pawtucket and State of Rhode Island, a hospital for the treatment of the sick and of those who may be suffering from accidents or injuries, but said corporation has not as yet erected, established or acquired a hospital in said City of Pawtucket;

And Whereas, it has been arranged between said Frank A. Sayles and The Memorial Hospital that said Frank A. Sayles shall give, grant and convey said estate and the building and improvements thereon and the house furnishings and hospital equipment now contained in said building, to The Memorial Hospital in fee simple and absolutely, to be held, however, for the uses and purposes and upon the terms and conditions in the above-recited provision of said will and hereinafter in this indenture declared and set forth;

Now, Therefore, This Indenture, made and executed by and between FRANK A. SAYLES, of the City of Pawtucket in the County of Providence and State of Rhode Island, party of the first part, and said THE MEMORIAL HOSPITAL, party of the second part,

WITNESSETH:

That the party of the first part, in performance of the order and direction of said will, and in consideration of the covenants and agreements hereinafter contained, entered into and made by the party of the second part, as hereinafter set forth, does hereby, give, grant, bargain, sell and convey unto the party of the second part, and its successors and assigns,

That lot of land, with the buildings and improvements thereon, situated on the easterly side of Prospect Street, in the said City of Pawtucket, and bounded and described as follows:

Beginning on the easterly side of said Prospect Street at the southwesterly corner of land formerly belonging to Claudius B. Farnsworth, thence running easterly bounding northerly on said Farnsworth land three hundred and eleven and nine-tenths (311.9) feet to a corner, thence turning a right angle with the last described line, and running northerly bounding westerly on said Farnsworth land thirty (30) feet to a corner, thence turning a right angle with the last described line and running easterly parallel with and one hundred and ninety-five (195) feet distant southerly from the southerly line of Pond Street four hundred and fifty (450) feet to a corner; thence turning a right angle with the last described line and running southerly seven hundred and five (705) feet to a corner; thence turning a right angle with the last described line and running westerly about five hundred and seventy-six and nine one-hundredths (576.09) feet to the easterly line of said Prospect Street, thence turning and running northerly bounding westerly on said Prospect Street about seven hundred and thirteen one-hundredths (700.13) feet to the place of beginning; and, however bounded and described, being the same estate conveyed to the party of the first part by Francis M. Smith by deed dated December 24, 1895, and recorded in the records of land evidence in said City of Pawtucket in Records of Deeds, Book No. 75, at page 160.

Together with all and singular the household furniture and effects, and hospital appliances, instruments and effects, of every kind and nature, now in the building on said premises.

TO HAVE AND TO HOLD the same, together with all the privileges and appurtenances thereunto appertaining, unto and to the use of said The Memorial Hospital, its successors and assigns, forever, for the uses and purposes and upon the conditions and agreements hereinafter set forth.

And the party of the first part does hereby, for himself and for his heirs, executors and administrators, covenant with the party of the second part, and its successors and assigns, that he is lawfully seized in fee simple of the said granted premises; that the same are free from all incumbrances; that he has good right, full power and lawful authority to sell and convey the same in manner as aforesaid; that the party of the second part, and its successors and assigns, shall by these presents at all times hereafter peaceably and quietly have and enjoy the said premises, and that the party of the first part will, and his heirs, executors and administrators shall, warrant and defend the same to the party of the second part, its successors and assigns, forever, against the lawful claims and demands of all persons.

And for the consideration aforesaid, Mary D. A. Sayles, wife of the said Frank A. Sayles, does hereby release all her right of dower in and to the said granted premises unto the party of the second part, and its successors and assigns, forever.

The foregoing conveyance is made upon the following terms and conditions, and subject to the following covenants and agreements by and between the party of the first part, his heirs, executors and administrators, and the party of the second part, and its successors and assigns:

FIRST. Said granted premises and personal property, together with all additions and accretions hereafter made thereto, shall be forever occupied and used by the party of the second part as a hospital where the rich and the poor, who may be suffering from sickness, accidents or injuries, may receive medical and surgical care and treatment, paying therefor such amounts, if any, as they respectively may be able to pay and said corporation may from time to time require; but no person shall be refused care and treatment in said hospital merely because of inability to make compensation therefor, if the resources of said corporation for the time being are sufficient to enable it to receive, care for and treat persons without charge. All sums received from patients for care and treatment shall become a part of the general funds of the corporation and be used for the purpose of defraying its running expenses or otherwise used for supplying the needs of the hospital and increasing its efficiency as an instrument of public good.

SECOND. The party of the second part shall always be known by the name of "The Memorial Hospital", and the said building now on said land and every building which may hereafter be erected in replacement of said building or in substitution therefor shall be, and said land is dedicated as, a perpetual memorial to Mary Wilkinson Sayles, the wife, and Martha Freeman Sayles, the daughter, of the said William F. Sayles, and shall be known as "The Sayles Memorial".

THIRD. The party of the second part may erect or permit to be erected other buildings and structures on the aforegranted premises, to be used and occupied by the party of the second part for hospital purposes, or for other purposes incidental to or connected with the work of said hospital, which buildings may, at the election of the donors, constitute memorials to said donors respectively or to such person or

persons as the respective donors may designate. All such buildings and improvements erected or placed on said land shall be subject to the provisions of this indenture.

FOURTH. Said granted premises and all the buildings and improvements from time to time thereon, and all the fixtures, furnishings and equipment thereof, shall be forever kept unencumbered by mortgage or other lien or incumbrance of any kind or nature, and shall never be seized or sold on execution to satisfy any debt or obligation whatsoever of the party of the second part, - to the end that said granted premises may be devoted in perpetuity to the charitable uses aforesaid.

FIFTH. Said buildings and improvements and all additions and accretions shall be kept insured against loss or damage by fire or lightning, in sound and responsible insurance companies, in reasonable and proper amounts, to be determined by the party of the second part.

SIXTH. In order the more effectually to insure that said premises and all buildings and improvements thereon or that may be placed thereon shall be forever devoted to charitable uses, and thus to secure the charitable intent of the donor and to perpetuate the said Memorial and other memorials that may be erected on said land, it is further covenanted and agreed that in case default or breach shall be made by the party of the second part in any of the covenants, agreements or conditions on its part herein contained to be performed or observed, or if by change of circumstances said premises shall cease to be useful for hospital purposes, or if for any reason it shall at any time become impossible or impracticable for the party of the second part to maintain said hospital, then and in every such case said premises, and the right, title and interest of the party of the second part therein, shall thereupon be forfeited; and said granted premises, and all improvements thereon, shall thereafter, upon application of any proper party to the Superior Court of the State of Rhode Island or other court for the time being exercising equity jurisdiction in the State of Rhode Island, be devoted and reapplied to such other charitable uses as nearly as possible akin to the uses upon which said premises are herein granted as said court shall order and decree; and in case said court shall at any time decree the sale of said premises, it shall also decree that the proceeds of such sale shall be so applied as to constitute a memorial to the said wife and daughter of William F. Sayles; and if there shall be, at the time of such forfeiture and reapplication of said premises, more than one memorial building on such premises, then said court shall make a proper apportionment of the proceeds of said sale, to the end that all said memorials shall be continued in perpetuity.

SEVENTH. The party of the second part hereby accepts the trust above declared and set forth, and covenants that it will faithfully execute the same.

IN TESTIMONY WHEREOF, the said Frank A. Sayles and Mary D. A. Sayles, his wife, have hereunto set their hands and seals, and said The Memorial Hospital has caused these presents to be executed and its corporate seal to be hereto affixed, by Charles O. Read, its President, thereunto duly authorized, this 21st day of June, in the year of our Lord one thousand nine hundred and ten.

Signed and sealed in presence of
Samuel Fessenden

Frank A. Sayles (Seal)
Mary D. A. Sayles (Seal)

137 | 116

James L. Jenks
to The Memorial Hospital
C.O.R. Prest

The Memorial Hospital
by Chas. O. Read, President.

STATE OF RHODE ISLAND &c.)
(
Providence, Sc.)

In Pawtucket, this 21st day of June, 1910, personally appeared before me Frank A. Sayles and Mary D. A. Sayles, his wife, each and both to me known and known by me to be the persons executing the foregoing instrument, and severally acknowledged said instrument, executed by them, to be their free act and deed.

Samuel Fessenden,
Notary Public (Seal)

STATE OF RHODE ISLAND &c.)
(
Providence, Sc.)

In Pawtucket, this 29th day of June, 1910, personally appeared before me Charles O. Read, the President of The Memorial Hospital, to me known and known by me to be the person executing the foregoing instrument in the name and on behalf of The Memorial Hospital, and acknowledged said instrument, so executed by him, to be his free act and deed and the free act and deed of said The Memorial Hospital.

James L. Jenks,
Notary Public.

Received for Record July 1, 1910,
at 10:23 A. M. and Recorded.

Attest: 
City Clerk.

139/365

THIS INDENTURE

made and executed by and between DAISEY B. GOFF, formerly of Pawtucket, County of Providence and State of Rhode Island, now resident of Orange, in the State of New Jersey, party of the first part, and THE MEMORIAL HOSPITAL, a corporation under the laws of Rhode Island, party of the second part,

WITNESSETH:

That the party of the first part, in consideration of the covenants and agreements hereinafter contained, entered into and made by the party of the second part, as hereinafter set forth, does hereby give, grant, bargain, sell and convey unto the party of the second part, its successors and assigns,

A certain lot of land with all the buildings and improvements thereon, situated in said Pawtucket and bounded and described as follows:

Beginning at a point on the southwesterly corner of Pond Street and Brewster Street, being the northeasterly corner of said granted premises, thence southerly bounded easterly by said Brewster Street two hundred twenty-five (225) feet to land of The Memorial Hospital; thence westerly, bounded southerly by land of said The Memorial Hospital four hundred fifty (450) feet to land formerly of C. B. Farnsworth; thence northerly, bounded westerly by land formerly of said Farnsworth two hundred twenty-five (225) feet to the southerly side of Pond Street; thence easterly along said southerly line of Pond Street four hundred fifty (450) feet to the point of beginning.

← This 225' should be 195'

TO HAVE AND TO HOLD the same, together with all the privileges and appurtenances thereunto appertaining, unto and to the use of said The Memorial Hospital, its successors and assigns, forever, for the uses and purposes and upon the conditions and agreements hereinafter set forth.

And the party of the first part does hereby, for herself and for her heirs, executors and administrators, covenant with the party of the second part, and its successors and assigns, that she is lawfully seized in fee simple of the said granted premises; that the same are free from all incumbrances; that she has good right, full power and lawful authority to sell and convey the same in manner as aforesaid; that the party of the second part, and its successors and assigns, shall by these presents at all times hereafter peaceably and quietly have and enjoy the said premises, and that the party of the first part will, and her heirs, executors and administrators shall, warrant and defend the same to the party of the second part, its successors and assigns, forever, against the lawful claims and demands of all persons.

And the said party of the first part further covenants that she is unmarried.

The foregoing conveyance is made upon the following terms and conditions, and subject to the following covenants and agreements by and between the party of the first part, her heirs, executors and administrators, and the party of the second part, and its successors and assigns:

FIRST. Said granted premises, together with all additions and accretions hereafter made thereto, shall be forever occupied and used by the party of the second part as a Dormitory or Home for the use of the nurses connected with and in the employ of said party of the second part, as well as all persons connected with any Training School for Nurses which may be carried on by said party of the second part.

SECOND. The premises hereinbefore conveyed shall always be known as "THE ISABELLA GOFF DORMITORY FOR NURSES".

THIRD. The party of the second part may erect or permit to be erected other buildings and structures on the aforegranted premises, to be used and occupied by the party of the second part for hospital purposes, or for other purposes incidental to or connected with the work of said hospital, which buildings may, at the election of the donors, constitute memorials to said donors respectively or to such person or persons as the respective donors may designate. All such buildings and improvements erected or placed on said land shall be subject to the provisions of this indenture.

FOURTH. Said granted premises and all the buildings and improvements from time to time thereon, shall be forever kept unencumbered by mortgage or other lien or incumbrance of any kind or nature, and shall never be seized or sold on execution to satisfy any debt or obligation whatsoever of the party of the second part to the end that said granted premises may be devoted in perpetuity to the charitable uses aforesaid.

FIFTH. Said buildings and improvements and all additions and accretions shall be kept insured against loss or damage by fire or lightning, in sound and responsible insurance companies, in reasonable and proper amounts, to be determined by the party of the second part.

SIXTH. In order the more effectually to insure that said premises and all buildings and improvements thereon or that may be placed thereon shall be forever devoted to charitable uses, and thus to secure the charitable intent of the donor and to perpetuate the said Memorial and other memorials that may be erected on said land, it is further covenanted and agreed that in case default or breach shall be made by the party of the second part in any of the covenants, agreements or conditions on its part herein contained to be performed or observed, or if by change of circumstances said premises shall cease to be useful for the purposes specified, or if for any reason it shall at any time become impossible or impracticable for the party of the second part to maintain said granted premises for the uses hereinbefore set forth, then and in every such case said premises, and the right, title and interest of the party of the second part therein, shall thereupon be forfeited; and said granted premises, and all improvements thereon, shall thereafter, upon application of any proper party to the Superior Court of the State of Rhode Island or other court for the time being exercising equity jurisdiction in the State of Rhode Island, be devoted and reapplied to such other charitable uses as nearly as possible akin to the uses upon which said premises are herein granted as said court shall order and decree; and in case said court shall at any time decree the sale of said premises, it shall also decree that the proceeds of such sale shall be so applied as to constitute a memorial to the said Isabella Goff; and if there shall be, at the time of such forfeiture and reapplication of said premises, more than one memorial building on such premises, then said court shall make a proper apportionment of the proceeds of said sale, to the end that all said memorials shall be continued in perpetuity.

SEVENTH. The party of the second part hereby accepts the trust above declared and set forth, and covenants that it will faithfully execute the same.

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IN TESTIMONY WHEREOF, the said Daisey B. Goff has hereunto set her hand and seal, and said The Memorial Hospital has caused these presents to be executed and its corporate seal to be hereto affixed by Charles O. Read, its President, thereunto duly authorized, this 25th. day of November in the year of our Lord one thousand nin hundred and ten.

Signed & Sealed in presence of
James L. Jenks.

Daisey B. Goff.
The Memorial Hospital.
By. Chas. O. Read, President.

STATE OF RHODE ISLAND,)
County of Providences.)

In Pawtucket this 25th day of November 1910, personally appeared before me Daisey B. Goff, to me known and known by me to be the person executing the foregoing instrument, and she acknowledged said instrument, executed by her, to be her free act and deed.

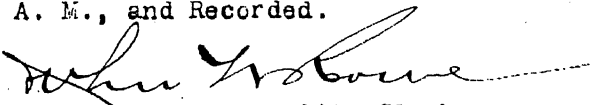
James L. Jenks,
Notary Public.

STATE OF RHODE ISLAND,)
County of Providence.)

In Pawtucket this 26th day of November A. D. 1910, personally appeared before me, Charles O. Read, the President of The Memorial Hospital, to me known and known by me to be the person executing the foregoing instrument in the name and on behalf of The Memorial Hospital, and acknowledged said instrument, so executed by him, to be his free act and deed and the free act and deed of said The Memorial Hospital

James L. Jenks,
Notary Public.

Received for Record Nov. 30, 1910,
at 10:20 A. M., and Recorded.

Attest: 
City Clerk.

159/20

THIS INDENTURE made and executed by and between DARIUS L. GOFF, of the City of Pawtucket, County of Providence and State of Rhode Island, party of the first part and THE MEMORIAL HOSPITAL, a corporation legally established under the laws of the State of Rhode Island, party of the second part,

WITNESSETH

that the party of the first part, in consideration of the covenants* and agreements hereinafter contained, entered into and made by the party of the second part, as hereinafter set forth, does hereby give, grant, bargain, sell and convey unto the party of the second part, its successors and assigns,

A certain lot or parcel of land, situated in said Pawtucket and bounded and described as follows:- Situate at the southeast corner of Pond and Prospect Streets bounded northerly by Pond Street on which it measures 373.83 feet; westerly by Prospect Street on which it measures 233.38 feet; southerly by land of The Memorial Hospital on which it measures 311.90 feet and easterly also by land of The Memorial Hospital which it measures 225.0 feet and comprises the homestead estate of the late Claudius B. Farnsworth and is the same estate conveyed by his heirs to the party of the first part by deed dated February 8, A. D. 1913 and recorded in Book No. 155, Page 427, of the Records of Deeds in the City of Pawtucket.

TO HAVE & TO HOLD, the same, together with all the privileges and appurtenances thereunto appertaining, unto and to the use of the said The Memorial Hospital, its successors and assigns, forever, for the uses and purposes and upon the conditions and agreements hereinafter set forth.

And the party of the first part, does hereby for himself and for his heirs, executors and administrators, covenant with the party of the second part, and its successors and assigns, that he is lawfully seized in fee simple of the said granted premises; that the same are free from all incumbrances; that he has good right, full power and lawful authority to sell and convey the same in manner as aforesaid; that the party of the second part, and its successors and assigns, shall by these presents at all times hereafter peaceably and quietly have and enjoy the said premises; and that the party of the first part will, and his heirs, executors and administrators shall warrant and defend the same to the party of the second part, its successors and assigns forever, against the lawful claims and demands of all persons.

And the party of the first part further covenants that he is unmarried.

The foregoing conveyance is made upon the following terms and conditions, and

subject to the following covenants and agreements by and between the party of the first part, his heirs, executors and administrators, and the party of the second part, and its successors and assigns:

FIRST. Said granted premises, together with all conditions and accretions hereafter made thereto, shall be forever occupied and used by the party of the second part for the use and benefit of the said The Memorial Hospital.

SECOND. The party of the second part may erect or permit to be erected buildings and structures on the aforegranted premises, to be used and occupied by the party of the second part for hospital purposes, or for other purposes incidental to or connected with the work of said hospital, which buildings may, at the election of the donors, constitute memorials to said donors respectively or to such person or persons as the respective donors may designate. All such buildings and improvements erected or placed on said land shall be subject to the provisions of this indenture.

THIRD. Said granted premises and all the buildings and improvements from time to time thereon, shall be forever kept unencumbered by mortgage or other lien or incumbrance of any kind or nature, and shall never be seized or sold on execution to satisfy any debt or obligation whatsoever, of the party of the second part to the end that said granted premises may be devoted in perpetuity to the charitable uses aforesaid.

FOURTH. In order the more effectually to insure that said premises and all buildings and improvements that may be placed thereon shall be forever devoted to charitable uses, and thus to secure the charitable intent of the donor and to perpetuate memorials that may be erected on said land, it is further covenanted and agreed that in case default or breach shall be made by the party of the second part in any of the covenants, agreements or conditions on its part herein contained to be performed or observed, or if by change of circumstances said premises shall cease to be used for the purposes specified, or if for any reason it shall at any time become impossible or impracticable for the party of the second part to maintain said granted premises for the uses hereinbefore set forth, then and in every such case said premises, and the right, title and interest of the party of the second part therein, shall thereupon be forfeited; and said granted premises, and all improvements thereon shall thereafter, upon application of any proper party to the Superior Court of the State of Rhode Island or other court for the time being exercising equity jurisdiction in the State of Rhode Island be devoted and reapplied to such other charitable uses as nearly as possible akin to the uses upon which said premises are herein granted as said court shall order and decree; and if there shall be, at the time of such forfeiture and reapplication of said premises, one or more memorial buildings on such premises, then said court shall make a proper apportionment of the proceeds of said sale, to the end that all said memorials shall be continued in perpetuity.

FIFTH. The party of the second part hereby accepts the trust above declared and set forth, and covenants that it will faithfully execute the same.

IN TESTIMONY WHEREOF, the said Darius L. Goff has hereunto set his hand and seal, and said The Memorial Hospital has caused these presents to be executed and its corporate seal to be hereto affixed by Frederick W. Easton, its first Vice-President, thereunto duly authorized, this twenty-seventh day of February in the year of our Lord one thousand nine hundred and thirteen.

Signed & Sealed in presence of
F. J. Powers.

Darius L. Goff (Seal)
The Memorial Hospital, by (Seal)
Frederic W. Easton, 1st. Vice President.

159/28

STATE OF RHODE ISLAND,)
County of Providence.)

In Pawtucket on the 27th day of February A. D. 1913, personally appeared before me Darius L. Goff, to me known and known by me to be the person executing the foregoing instrument, and he acknowledged said instrument, by him executed, to be his free act and deed.

J. E. Judson,
Notary Public.

STATE OF RHODE ISLAND,)
County of Providence.)

In Pawtucket on the 28th day of May A. D. 1913, personally appeared before me Frederick W. Easton, 1st. Vice-President of The Memorial Hospital to me known and known by me to be the person executing the foregoing instrument in the name and on behalf of The Memorial Hospital and acknowledged said instrument, so executed by him, to be his free act and deed and the free act and deed of said The Memorial Hospital

James L. Jenks,
Notary Public.

Received for Record May 29, 1913,

at 4:05 P. M., and Recorded.

Attest: *Herbert A. Fuller*

City Clerk.

181/349

KNOW ALL MEN BY THESE PRESENTS, THAT,

The Memorial Hospital,

a corporation under the laws of the State of Rhode Island and located in the City of Pawtucket, in said State, hereinafter called the grantor, in consideration of one dollar and other considerations to it paid by the

City of Pawtucket,

a municipal corporation of said State, the receipt whereof is hereby acknowledged, does hereby give, grant, bargain, sell and convey unto said City of Pawtucket, hereinafter called the grantee, all its right, title and interest in and to a certain triangular piece of land, situated in said City of Pawtucket, and bounded and described as follows:-

Beginning at the intersection of the southerly line of Pond Street with the easterly line of Prospect Street; thence southeasterly with the said easterly line of Prospect Street forty-three and $42/100$ (43.42) feet to the tangent point of a curve; thence northerly in a curve of twelve and $96/100$ (12.96) feet radius eleven and $92/100$ (11.92) feet; thence northerly tangent to said curve thirty-two (32) feet to the tangent point of a curve; thence northeasterly in a curve of twelve and $96/100$ (12.96) feet radius eleven and $92/100$ (11.92) feet to the southerly line of Pond Street; thence southwesterly with the southerly line of Pond Street forty-three and $42/100$ (43.42) feet to the point or place of beginning.

And however bounded and described meaning and intending to convey the parcel lettered A-B-C-D-E on the plan which accompanies this deed.

TO HAVE AND TO HOLD the same to the use of said grantee, its successors and assigns, for highway purposes only, and in case the same shall ever cease to be used for highway purposes then the title thereof shall revert to the said grantor, its successors or assigns.

And the said grantor, for itself, its successors and assigns, does hereby covenant with said grantee, its successors and assigns, that it will warrant and defend the said granted premises against the claims of all persons claiming by,

through, or under it.

IN TESTIMONY WHEREOF, said grantor has caused these presents to be signed by its Treasurer, thereunto duly authorized, and its corporate seal to be affixed, this 25th day of August, in the year of our Lord one thousand nine hundred and sixteen (A. D. 1916).

Signed and sealed in presence of
H. J. Greer

The Memorial Hospital (Seal)
By Andrew E. Jencks, Treasurer.

STATE OF RHODE ISLAND,)
County of Providence.)

In Pawtucket, on the 25th day of August, A. D. 1916, before me personally appeared the within named Andrew E. Jencks, Treasurer of the Memorial Hospital, to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed individually; and in his said capacity as Treasurer aforesaid, and also the free act and deed of said The Memorial Hospital.

H. J. Greer,
Notary Public. (Seal)

Received for Record Aug. 30, 1916,
at 10:25 A. M. and Recorded.

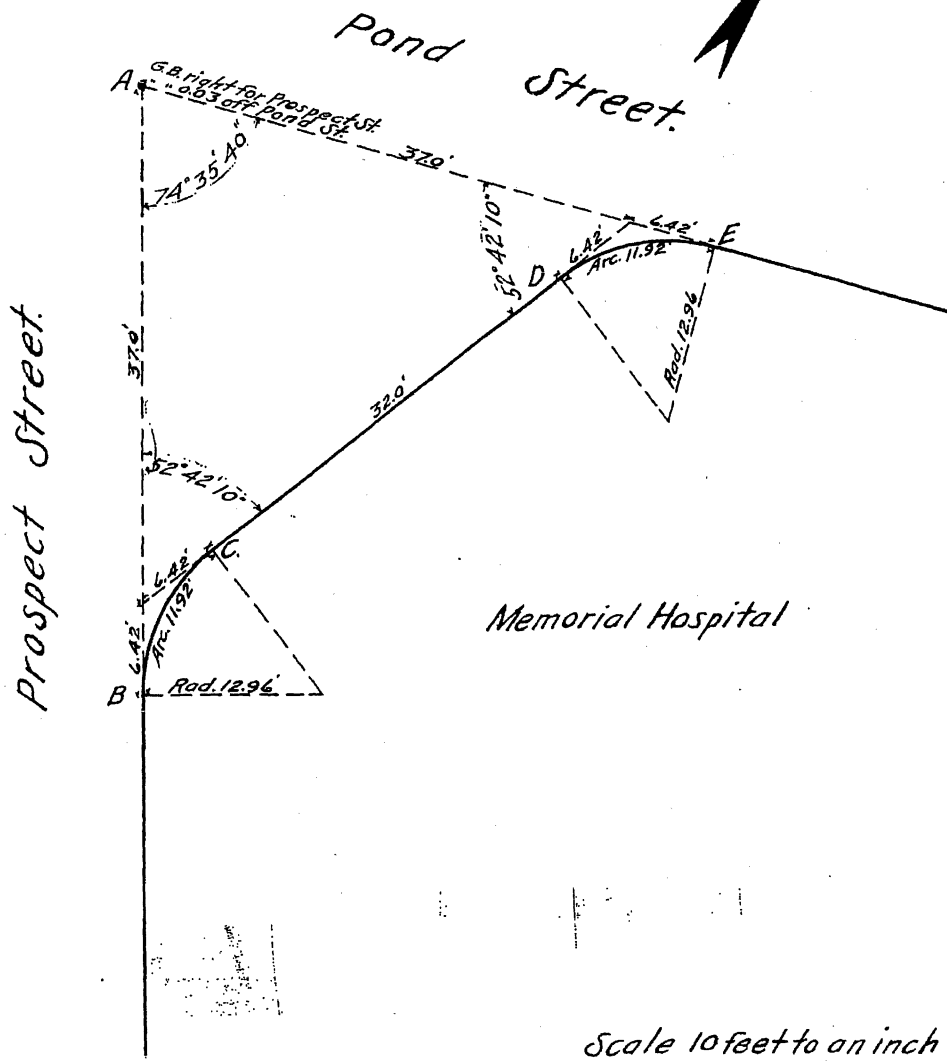
Attest: *Herbert A. Fuller*
City Clerk.

Pawtucket R.I.
City Engineering Office
August 1916
No. 06399

ref. Deed
181/399

Plan
made to accompany
deed from the
Memorial Hospital
to the
City of Pawtucket.
Geo. A. Carpenter City Engineer
August 1916.

True North



Scale 10 feet to an inch

96 OCT 24 AM 10:08

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BK 50 PG 329

City of Pawtucket
Zoning Board of Review

DECISION 96-49

At the meeting of the Pawtucket Zoning Board of Review held on Tuesday, October 1, 1996, the following Decision was rendered:

WHEREAS, Centredale/Darlington Sign Company, applicant, and Memorial Hospital, owner of Lot numbered 305 on Tax Assessor's Plat 35 (111 Brewster Street) and located in a Residential Multi-Family Zone, filed an application and requested a Dimensional Variance from Section 410-88(a) to allow for the installation of a wall sign, not in conformance with the strict provisions of the Pawtucket Zoning Ordinance.

WHEREAS, the members of the Zoning Board of Review made an inspection of the above-described premises and the surrounding properties in the neighborhood; and

WHEREAS, in accordance with the State Open Meetings Act, a public hearing was held on this application by the Zoning Board of Review at its meeting held on Tuesday, September 24, 1996, after public notice was provided pursuant to Section 410-112 of the Pawtucket Zoning Ordinance.

At the hearing, witnesses Thomas Ross, Vice President of Memorial Hospital, and Steven Harris from Centredale Sign Company, testified relative to the Dimensional Variance. The applicants request a dimensional variance from Section 410-88(a) to allow for the installation of a wall sign.

The witnesses concede that the sign will be hard to see from Route 95. However, this will be the only sign placed in that area, and should help people on Route 95 identify the location of the hospital. Mr. Ross states that the closest house to the sign is 150 feet away, on Pond Street. The sign will be placed approximately sixty feet off the ground, and on all day and night; no flashing.

There was one (1) objector in attendance at the hearing. James McVay of 100 Brewster Street stated that he wants to know why the hospital needs another sign. He believes that the sign will disturb the area and illuminate into the homes surrounding it. The Board assures the objector that if approved the lighting will not affect the neighborhood. Mr. Barris states that the light will be diffused by the use of white acrylic on the face itself.

During the course of the public hearing, the Board took judicial notice of the findings and advisory opinion submitted by the Department of Planning and Redevelopment. The opinion indicates that Zoning Ordinance Chapter 410-88(a) has standards for wall signs of one (1) square foot applying only to residential structures. Allowance is not specifically made for hospitals, churches, and other permitted uses, although Chapter 410-83 lists types of signs allowed without mention of this type of sign. This can be considered an oversight in a complex subject. In addition, the type of sign (a 45 square foot wall sign) on a building of this size is proper for general identification of hospitals. Finally, no harmful effects on the neighborhood are foreseen. Thus, the Planning Department's recommendation is approval of the application.

NOW, THEREFORE, after consideration of the application and the testimony of the applicant, the

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objectors and the advisory opinion submitted by the Department of Planning and Redevelopment, and after having carefully weighed the same, the Zoning Board of Review hereby makes the following findings:

The Board finds that it is clear that the applicant seeks relief from the zoning ordinance provisions regulatory of the permitted use of land. The applicant is not requesting a true variance, so called, pursuant to which it could make use of the land that is not a permitted use under the terms of the Pawtucket Zoning Ordinance.

Pursuant to Section 410-44 of the zoning ordinance, the following dimensional requirements must be satisfied in order for it to be permissible to effectuate the proposed construction in a Residential Multi-Family Zone (RM) (Other Permitted Use): minimum lot size of 10,000 square feet, minimum lot frontage of 100 feet, maximum lot coverage of thirty percent (30%), a front yard set back of 10 feet, a side yard set back of 8 feet, and a rear yard set back of 25 feet.

Because the applicant is seeking a Dimensional Variance, the principals enunciated in Viti v. The Zoning Board of Review, and now codified in the provisions of the State Zoning Enabling Act and the Pawtucket Zoning Ordinance, are controlling.

Section 45-24-41(C) of the State Zoning Enabling Act and Section 410-113 of the Pawtucket Zoning Ordinance state that "[i]n granting a variance, the Board shall require that evidence to the satisfaction of the following standards be entered into the record of the proceedings:

(a) that the hardship from which the applicant seeks relief is due to the unique characteristics of the subject land or structure and not to the general characteristics of the surrounding area; and not due to a physical or economic disability of the applicant;

(b) that said hardship is not the result of any prior action of the applicant and does not result primarily from the desire of the applicant to realize greater financial gain;

(c) that the granting of the requested variance will not alter the general characteristic of the surrounding area or impair the intent or purpose of this zoning ordinance or the comprehensive plan of the City;

(d) that the relief to be granted is the least relief necessary.

In addition, Section 45-24-41(D) of the State Zoning Enabling Act and Section 410-113 of the Pawtucket Zoning Ordinance, state that the zoning board of review shall require that evidence be entered into the record of the proceedings showing that in granting a dimensional variance, "that the hardship that will be suffered by the owner of the subject property if the dimensional variance is not granted shall amount to more than a mere inconvenience, which shall mean that there is no other reasonable alternative to enjoy a legally permitted beneficial use of one's property. The fact that a use may be more profitable or that a structure may be more valuable after the relief is granted shall not be grounds for relief."

Based on the facts offered by the applicant at the hearing, and based on the Board's own inspection of the subject parcel, it appears that if a Dimensional Variance is not granted to the applicant, it will suffer an adverse impact amounting to more than a mere inconvenience since the relief being sought is reasonably necessary for the full enjoyment of the permitted use.

WHEREAS, upon consideration of the foregoing, it is hereby;

RESOLVED: That the Zoning Board of Review for the City of Pawtucket does hereby grant a

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Dimensional Variance pursuant to applicable provisions of the Pawtucket Zoning Ordinances and the State Zoning Enabling Act, and does hereby grant the application of Centredale/Darlington Sign Company and Memorial Hospital.

VOTE TO APPROVE: Sullivan, Gannon, Allen, Carvalho, Ferland

VOTE TO DENY:

ATTENTION: Pursuant to Section 410-119 of the Pawtucket Zoning Ordinance, any Variance granted by the Pawtucket Zoning Board of Review shall expire by limitation within one (1) year from the date the same is filed with the City Clerk's Office unless the applicant shall within said period exercise the right granted by said Decision.


Russell J. Ferland
Secretary, Zoning Board of Review

DATE: Thursday, October 24, 1996

PERMITS REQUIRED
PURSUANT TO THIS
DECISION. MUST BE
OBTAINED FROM THE
BUILDING INSPECTOR.

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City of Pawtucket
Zoning Board of Review

DECISION 96-71

At the meeting of the Pawtucket Zoning Board of Review held on Tuesday, December 3, 1996, the following Decision was rendered:

WHEREAS, Memorial Hospital, applicant and owner of Lot numbered 305 on Tax Assessor's Plat 23, 24, & 35, also known as 111 Brewster Street, located in a Residential Multi-Family Zone, filed an application and requested a Special Use Permit under Section 410-12.5.E, hospital in a Residential Multi-Family Zone, Section 410-59.E off street parking, and Section 410-67 existence by Special Use Permit requires a further Special Use Permit; the applicant is also requesting a Dimensional Variance to erect a wall sign under Section 410-88.A not in conformance with the strict provisions of the Pawtucket Zoning Ordinance.

WHEREAS, the members of the Zoning Board of Review made an inspection of the above-described premises and the surrounding properties in the neighborhood; and

WHEREAS, in accordance with the State Open Meetings Act, a public hearing was held on this application by the Zoning Board of Review at its meeting held on Tuesday, December 3, 1996, after public notice was provided pursuant to Section 410-112 of the Pawtucket Zoning Ordinance.

Attorney Michael F. Horan, 393 Armistice Boulevard, Pawtucket, RI represents the applicant. The first witness to speak on behalf of Memorial Hospital is Thomas L. Ross, 65 Meadow Lake Drive, Seekonk, MA. Mr. Thomas is the Vice President of Property Management and Support Services for the hospital. The applicant is seeking a Special Use Permit for the extension of their hospital facilities on the site and for a proposed off site location for off street parking and a proposed new sign.

The applicant states that the new proposed building will involve Brown University which will continue their association with Memorial Hospital and will be the primary training site for all family and internal practitioners in the State of Rhode Island through Brown University. The Hospital's present facility is totally inadequate for that kind of training. Presently, Memorial Hospital is in the process of receiving a "certificate of need" from the State of Rhode Island which has been approved. Pending the outcome of this hearing, the new facility will be situated and attached to the Wood Hatch Building in the existing Family Practice Building.

There will be the elimination of off street parking by Memorial Hospital which is seeking additional off street parking at 555 Prospect Street, formerly The Blackstone Webbing Company. Memorial Hospital's plan is that the building located on the site which was built in 1972 and contains approximately fifty thousand square feet will be kept. However, the Hospital plans on demolishing the older buildings, and this will in turn establish parking for four hundred and sixteen vehicles. Memorial Hospital is planning a shuttle service relative to this location and the principal location.

Mr. Ross states that a traffic study showed that the acute problem with parking begins at 7:00 a.m. and ends at 3:30 p.m. and peaks out around 10:00 or 11:00 a.m. Monday through Friday. The shuttle will be created for mainly for the day shift, whereby the employees would have designated parking at 555 Prospect Street with two buses and a van shuttling the employees to and from the hospital. Mr. Ross states that after 4:00 p.m. there is enough parking available on site for both employees and visitors. The total number of spaces at Memorial Hospital is eight hundred and seventy-one spaces, and four hundred sixteen spaces at 555 Prospect. The spaces which will be lost at Memorial Hospital after the new building is built is approximately one hundred and eight. The witness, Mr. Ross, states that if the Board approves this plan, the net result in spaces, with all the properties involved, is one thousand fifty-four spaces with a gain of one hundred eighty-three spaces. In terms of the sign, it is to be inscribed on the building itself, also the hours of operation for the new building will be 8:00 a.m. until 5:00 p.m. The Board question the size of the sign, and the witness believes it will be under five feet.

The second witness to speak on behalf of the applicant is Peter M. DeSimon, 57 Delray Road, Cranston, RI. Apparently he works for the architects on the projects. The Board questions the curb cuts on the property at 555 Prospect Street. Mr. DeSimon discusses the plans surrounding the new building, and on site parking and discusses the number of parking spaces on both properties and the plans for egress and ingress to and from both properties. The witness shows plans for landscaping on the property. There will be only one means of egress and ingress from Brewster Street all other means of egress and ingress will be eliminated. All the eliminated curb cuts from Brewster Street will be blocked with plantings on the edge and painted strips showing parking to be parallel with the road. The applicant also plans to place a gate at one of the entrances to restrict parking.

There are various objectors in attendance at the hearing. The first objector to testify is James McVay, 100 Brewster Street, Pawtucket, RI. In summary, Mr. McVay does not object to the hospital expansion, but questions whether hazardous materials will be found at 555 Prospect Street. He is also concerned with the ownership of the property. Mr. Horan indicates that the Hospital is the agent for the owner, and has the owner's permission to make this application before this Board subject to the approval of parking. Mr. McVay is also concerned about the enforcement of parking on the new property. When he sees that the employees can and do park on the street, which causes motor vehicle congestion in the neighborhood.

The second objector to testify against the application is Raymond Lavoy. He is representing his mother who lives at 125 Beechwood Avenue, Pawtucket. In summary, Mr. Lavoy wants to know if the hospital will have a policy enforcing their employees to park at 555 Prospect Street. He states there is a tremendous parking problem on the surrounding streets in the neighborhood.

Mr. Ross and Mr. Horan state that the Hospital will try to seek voluntary parking and if it doesn't work, then the Hospital will undertake and look into all available legal ways to maintain off street parking on 555 Prospect Street. Mr. Ross points out that he would bet a number of employees park on the street, but keep in mind there are physicians located on Beechwood Avenue, a community counseling center, that does not have adequate parking, so it is not just the hospital employees who are parking on the street.

During the course of the Public Hearing, the Board took judicial notice of the findings and advisory opinions submitted by the Department of Planning & Redevelopment. The opinion indicates that the request for a Special Use Permit for expansion of physicians office and primary medicine program, off site parking and wall sign in a Residential Multi-Family District. Memorial Hospital as a use predates the 1928 Zoning Ordinance and the hospital has been classified as a Special Use Permit since the 1966 Ordinance.

The parking lots will be revised to provide an off site parking lot at 555 Prospect Street to accommodate two hundred and sixty-six spaces. The criteria is whether the lot reasonably and safely is accessible from the principal use. It is the opinion of the Department of Planning & Redevelopment is that the use of a shuttle bus system should provide for reasonable and safe access. The off site parking lot is approximately three quarters of a mile from the Hospital. The proposed sign is reasonably sized. The proposed actions are a reasonable expansion of on site facilities, the primary care facility and solving parking demand by creating an off site parking area at Prospect Street and Beverage Hill Avenue. Miriam Hospital in Providence has also developed off site parking on North Main Street. The proposed changes will not adversely alter the general character of the surrounding area, and the Planning Department's interpretation of the comprehensive plan is that it would look favorably on proposals that do not adversely effect the surrounding residential neighborhood. Therefore the recommendation of the Department of Planning & Redevelopment is that the Board examine the proposal using the criteria for approval given in Section 410.113B.

NOW, THEREFORE, after consideration of the application and the testimony of the applicant, the architect, the objectors, and the advisory opinion submitted by the Department of Planning and Redevelopment, and after having carefully weighed the same, the Zoning Board of Review hereby makes the following findings:

SPECIAL USE PERMIT:

The purpose of a special-use permit (formerly known as a special exception) is to establish within the ordinance "conditionally permitted uses." A Special-Use Permit contemplates a permitted use when under the terms of the zoning ordinance, the prescribed conditions are met. The fact that a particular use is allowed in a zoning district by special-use permit means that the City Council has already determined that it is an appropriate use for the district.

Relative to Special-Use Permits, Article 9-10(C)(2) of the zoning ordinance states that "[i]n granting a special use permit, the Board shall require that evidence to the satisfaction of the following standards be entered into the record of the proceedings:

(a) that the special use is specifically authorized by this ordinance, and setting forth the exact subsection of this ordinance containing the jurisdictional authorization;

(b) that the special use meets all of the criteria set forth in the subsection of this ordinance authorizing such special use; and

(c) that the granting of the special use permit will not alter the general character of the surrounding area or impair the intent or purpose of this ordinance or the comprehensive plan of the City."

The Rhode Island Supreme Court has stated that the burden of proof in a Special-Use Permit application is on the applicant. When applying for a grant of a Special-Use Permit, an applicant must preliminarily show that the relief sought is reasonably necessary for the convenience and welfare of the public. The "public convenience and welfare" pre-condition is satisfied when the applicant demonstrates that a proposed use will not result in conditions that will have a detrimental effect on the public health, safety, morals, and welfare. However, a Zoning Board may not deny granting a Special-Use Permit to a permitted use on the ground that the applicant has failed to prove that there is a community need for its establishment.

The Board finds that based on the facts offered by the applicant through testimony at the hearing and based on the Board's own inspection of the subject parcel, the applicant has offered sufficient probative evidence which substantiates its claim for relief. In the absence of substantial and probative evidence that the proposed use will danger the neighboring community in any manner, the Board holds that neither the proposed use nor its location on the site will have a detrimental effect upon the public health, safety, morals, and welfare of the surrounding area.

DEMINSIONAL VARIANCE:

The Board finds that it is clear that the applicant seeks relief from the zoning ordinance provisions regulatory of the permitted use of land. The applicant is not requesting a true variance, so called, pursuant to which it could make use of the land that is not a permitted use under the terms of the Pawtucket Zoning Ordinance.

Because the applicant is seeking a Dimensional Variance, the principals enunciated in Yiti v. The Zoning Board of Review, and now codified in the provisions of the State Zoning Enabling Act and the Pawtucket Zoning Ordinance, are controlling.

Section 45-24-41(C) of the State Zoning Enabling Act and Section 410-113 of the Pawtucket Zoning Ordinance state that "[i]n granting a variance, the Board shall require that evidence to the satisfaction of the following standards be entered into the record of the proceedings:

(a) that the hardship from which the applicant seeks relief is due to the unique characteristics of the subject land or structure and not to the general characteristics of the surrounding area; and not due to a physical or economic disability of the applicant;

(b) that said hardship is not the result of any prior action of the applicant and does not result primarily from the desire of the applicant to realize greater financial gain;

(c) that the granting of the requested variance will not alter the general characteristic of the surrounding area or impair the intent or purpose of this zoning ordinance or the comprehensive plan of the City;

(d) that the relief to be granted is the least relief necessary.

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In addition, Section 45-24-41(D) of the State Zoning Enabling Act and Section 410-113 of the Pawtucket Zoning Ordinance, state that the zoning board of review *shall* require that evidence be entered into the record of the proceedings showing that in granting a dimensional variance, "that the hardship that will be suffered by the owner of the subject property if the dimensional variance is not granted shall amount to more than a mere inconvenience, which shall mean that there is no other reasonable alternative to enjoy a legally permitted beneficial use of one's property. The fact that a use may be more profitable or that a structure may be more valuable after the relief is granted shall not be grounds for relief."

Based on the facts offered by the applicant at the hearing, and based on the Board's own inspection of the subject parcel, it appears that if a Dimensional Variance is not granted to the applicant, it will suffer an adverse impact amounting to more than a mere inconvenience since the relief being sought is reasonably necessary for the full enjoyment of the permitted use.

WHEREAS, upon consideration of the foregoing, it is hereby:

RESOLVED: That the Zoning Board of Review for the City of Pawtucket does hereby grant a Special-Use Permit, and a Dimensional Variance pursuant to applicable provisions of the Pawtucket Zoning Ordinances and the State Zoning Enabling Act, and does hereby grant the application of Memorial Hospital SUBJECT to the following SPECIAL CONDITION:

1. The Sign on the building shall not exceed 5 feet by 9 feet.

VOTE TO APPROVE: Sullivan, Fine, Gannon, Allen, Carvalho

VOTE TO DENY:

ATTENTION: Pursuant to Article 9-12 of the Pawtucket Zoning Ordinance, any Variance or Special-Use Permit granted by the Pawtucket Zoning Board of Review shall expire by limitation within one (1) year from the date the same is filed with the City Clerk's Office unless the applicant shall within said period exercise the right granted by said Decision.


Russell J. Ferland
Secretary, Zoning Board of Review

DATE: January 14, 1997

PERMITS REQUIRED
PURSUANT TO THIS
DECISION, MUST BE
OBTAINED FROM THE
BUILDING INSPECTOR.

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City of Pawtucket
Zoning Board of Review

DECISION 99-15

At the meeting of the Pawtucket Zoning Board of Review held on Tuesday, March 2, 1999, the following Decision was rendered:

WHEREAS, Dion Sign, applicant, and Memorial Hospital of Rhode Island, owner, of Lot numbered 305 on Tax Assessor's Plats 35, 23, and 24 (111 Brewster Street) and located in a Residential Multi-Family Zone, filed an application and requested a Dimensional Variance under Section 410-88(A) to erect a 3' by 4' freestanding illuminated sign, a 6'3" by 15' wall sign, and an additional 10" by 22' wall sign, not in conformance with the strict provisions of the Pawtucket Zoning Ordinance.

WHEREAS, the members of the Zoning Board of Review made an inspection of the above-described premises and the surrounding properties in the neighborhood; and

WHEREAS, in accordance with the State Open Meetings Act, a public hearing was held on this application by the Zoning Board of Review at its meeting held on Tuesday, February 23, 1999, after public notice was provided pursuant to § 410-112 of the Pawtucket Zoning Ordinance.

Thomas Ross, Vice President of Memorial Hospital, 65 Meadowlark Drive, Seekonk, MA. Testified on behalf of the applicant. He states that they were before the Board December 3, 1996 for a primary care building which will be open next week; and then they were allowed a 5 by 9 sign on the building itself. Now they fell in order to adequately promote the hospital they are requesting three (3) signs.

The primary care sign, which will be mounted on the new building, the dimensions will now be 6'3" by 15' and it will not be illuminated, but there will be a light at the base illuminating up to the sign itself. The next sign, a 3' by 72" sign, stating "Southeastern Health Care System", which will be seen when one enter the main drive off of Brewster. (On the other side there will remain the sign that say Memorial Hospital.) This will make a total of six lawn signs on the premises. This sign will be illuminated.

The next sign, they want on the main building, over the portico, the words "Memorial Hospital of Rhode Island," will be 24' long, by ten inches high. (They do not intend to illuminate the sign at this time, but will not comment on whether they will illuminate it some time in the future; may be a spotlight from the ground.)

During the course of the public hearing, the Board took judicial notice of the findings and advisory opinion submitted by the Department of Planning and Redevelopment. The opinion states that the use Memorial Hospital is located in a Residential Multi-family zoning district, and this District has very strict dimensional requirement because it is a residential district. The hospital site is 13 acres in area and the large structures are located at least 150 feet from the surrounding streets. Therefore, larger size sign is required. Because of the unique circumstances - the use, the location, and size of the buildings, the request is reasonable and the signs are of suitable size.

BK 1092PG071

It is the recommendation of the Department of Planning and Redevelopment that the application be approved because Section 410. 88A, Signs in residential area, do not provide for signs at a hospital complex and the size of the signs reasonable, given the size of the buildings and grounds.

NOW, THEREFORE, after consideration of the application and the testimony of the applicants, and the advisory opinion submitted by the Department of Planning and Redevelopment, and after having carefully weighed the same, the Zoning Board of Review hereby makes the following findings:

The Board finds that it is clear that the applicant seeks relief from the zoning ordinance provisions regulatory of the permitted use of land. The applicant is not requesting a true variance, so called, pursuant to which it could make use of the land that is not a permitted use under the terms of the Pawtucket Zoning Ordinance.

Because the applicant is seeking a Dimensional Variance, the principals enunciated in Viti v. The Zoning Board of Review, and now codified in the provisions of the State Zoning Enabling Act and the Pawtucket Zoning Ordinance, are controlling.

Section 45-24-41(C) of the State Zoning Enabling Act and § 410-113(A)(1) of the Pawtucket Zoning Ordinance state that "[i]n granting a variance, the Board shall require that evidence to the satisfaction of the following standards be entered into the record of the proceedings:

(a) that the hardship from which the applicant seeks relief is due to the unique characteristics of the subject land or structure and not to the general characteristics of the surrounding area; and not due to a physical or economic disability of the applicant;

(b) that said hardship is not the result of any prior action of the applicant and does not result primarily from the desire of the applicant to realize greater financial gain;

(c) that the granting of the requested variance will not alter the general characteristic of the surrounding area or impair the intent or purpose of this zoning ordinance or the comprehensive plan of the City;

(d) that the relief to be granted is the least relief necessary.

In addition, Section 45-24-41(D) of the State Zoning Enabling Act and § 410-113(A)(2)(b) of the Pawtucket Zoning Ordinance, state that the zoning board of review shall require that evidence be entered into the record of the proceedings showing that in granting a dimensional variance, "that the hardship that will be suffered by the owner of the subject property if the dimensional variance is not granted shall amount to more than a mere inconvenience, which shall mean that there is no other reasonable alternative to enjoy a legally permitted beneficial use of one's property. The fact that a use may be more profitable or that a structure may be more valuable after the relief is granted shall not be grounds for relief."

Based on the facts offered by the applicant at the hearing, and based on the Board's own inspection of the subject parcel, it appears that if a Dimensional Variance is not granted to the applicant, it will suffer an adverse impact amounting to more than a mere inconvenience since the relief being sought is reasonably necessary for the full enjoyment of the permitted use.

BK 1092PG072

WHEREAS, upon consideration of the foregoing, it is hereby;

RESOLVED: That the Zoning Board of Review for the City of Pawtucket does hereby grant a Dimensional Variance pursuant to applicable provisions of the Pawtucket Zoning Ordinances and the State Zoning Enabling Act, and does hereby grant the application of Dion Signs.

VOTE TO APPROVE: Gannon, Ferland, Carvalho, Shabo, Azevedo

VOTE TO DENY: None.

SPECIAL CONDITIONS: None.

ATTENTION: Pursuant to § 410-119(A) of the Pawtucket Zoning Ordinance, any Variance or granted by the Pawtucket Zoning Board of Review shall expire by limitation within one (1) year from the date the same is filed with the City Clerk's Office unless the applicant shall within said period exercise the right granted by said Decision.



Russell J. Ferland
Secretary, Zoning Board of Review

DATED: Thursday, June 3, 1999

**PERMITS REQUIRED
PURSUANT TO THIS
DECISION MUST BE
OBTAINED FROM THE
BUILDING INSPECTOR.**

City of Pawtucket
Zoning Board of Review

DECISION 99-76

At the meeting of the Pawtucket Zoning Board of Review held on Tuesday, December 7, 1999, the following Decision was rendered:

WHEREAS, Memorial Hospital of Rhode Island, applicant and owner, of Lot numbered 305 on Tax Assessor's Plats 23, 24 and 35 (Beechwood Avenue and Prospect Street) and located in a Residential Multi-Family Zone, filed an application and requested a Use Variance under Section 410-68(E) (addition and enlargement of a non-conforming use) to erect a 280 square foot addition, not in conformance with the strict provisions of the Pawtucket Zoning Ordinance.

WHEREAS, the members of the Zoning Board of Review made an inspection of the above-described premises and the surrounding properties in the neighborhood; and

WHEREAS, in accordance with the State Open Meetings Act, a public hearing was held on this application by the Zoning Board of Review at its meeting held on Tuesday, December 7, 1999, after public notice was provided pursuant to § 410-112 of the Pawtucket Zoning Ordinance.

Thomas Ross, the Vice President of Memorial Hospital testified on behalf of the applicant. He testified that Memorial Hospital intends to construct an affixed MRI unit to their building and that this would add an additional 300 square feet to the permanent building. He indicated that the Hospital would not be losing any parking spaces as a result of this proposed additional use.

During the course of the public hearing, the Board took judicial notice of the findings and advisory opinion submitted by the Department of Planning and Redevelopment. The opinion states that the use hospital or the MRI unit has been classified as a nonconforming use. The addition is 280 square feet in area. The addition is necessary to operate the MRI unit. There will be no detrimental effect on the surrounding residential area. Therefore it is the recommendation of the Department of Planning and Redevelopment for approval because 1) the addition is necessary and would be a hardship on the operation of medical operations of the hospital if it were not constructed, and 2) there will be no adverse effect upon the surrounding residential area.

NOW, THEREFORE, after consideration of the application and the testimony of the applicant, objectors and the advisory opinion submitted by the Department of Planning and Redevelopment, and after having carefully weighed the same, the Zoning Board of Review hereby makes the following findings:

Because the applicant is seeking to make use of the land that is not a permitted use under the terms of the zoning ordinance, it is apparent that he is seeking a Use Variance, also known as a "true" variance. The Board finds that when the application is one for a use variance, the burden of proof is on the applicant to demonstrate that relief from the strict requirements of the zoning ordinance is warranted.

Section 45-24-41(C) of the State Zoning Enabling Act and § 410-113(A)(1) of the Pawtucket Zoning Ordinance state that "[i]n granting a variance, the Board shall require that evidence to the satisfaction of the following standards be entered into the record of the proceedings:

(a) that the hardship from which the applicant seeks relief is due to the unique characteristics of the subject land or structure and not to the general characteristics of the surrounding area; and not due to a physical or economic disability of the applicant;

(b) that said hardship is not the result of any prior action of the applicant and does not result primarily from the desire of the applicant to realize greater financial gain;

(c) that the granting of the requested variance will not alter the general characteristic of the surrounding area or impair the intent or purpose of this zoning ordinance or the comprehensive plan of the City;

(d) that the relief to be granted is the least relief necessary.

In addition, Section 45-24-19(D)(1) of the State Zoning Enabling Act and § 410-113(A)(2)(a) of the zoning ordinance, state that the zoning board of review *shall* require that evidence be entered into the record of the proceedings showing that "in granting a use variance the subject land or structure cannot yield any beneficial use if it is required to conform to the provisions of the zoning ordinance. Nonconforming use of neighboring land or structures in the same district and permitted use of lands or structures in an adjacent district shall not be considered in granting a use variance."

Our Supreme Court has held that an applicant is entitled to a use variance only upon a showing that literal adherence to the zoning ordinance will result in unnecessary hardship to the applicant and that the granting of the variance would not be contrary to the public interest. The Court has held that unnecessary hardship exists when literal application of the zoning ordinance completely deprives a *land owner* of all beneficial use of his property and when granting a variance becomes necessary to prevent an indirect confiscation of the property without compensation. This stringent test of hardship means that only in rare circumstances will a landowner be entitled to a variance to change the use to one that is prohibited by the zoning ordinance.

The Court has held that a use variance is not properly granted to insure personal convenience or to meet increased demand on existing facilities. The fact that the neighboring land or structures in the same district contain non-conforming uses, or that the desired use is permitted in an adjacent zone may not be considered in granting a use variance. The fact that the applicant would be precluded from using the property in a more profitable manner if the variance is denied is not of itself proof of unnecessary hardship amounting to confiscation.

The Boards finds that based on the testimony offered at the hearing, the applicant has been successful in offering evidence that would tend to show that it would suffer an unnecessary hardship as contemplated by the State Zoning Enabling Act and the Pawtucket Zoning Ordinance. The applicant has offered substantial and probative evidence on the record which has convinced the majority of this Board that the present return on the property is so low that to require its continued devotion either to its present use or to others permitted under the ordinance would be confiscatory. The applicant has successfully established that it will be deprived of all beneficial use of its property if the application is ultimately denied.

WHEREAS, upon consideration of the foregoing, it is hereby;

RESOLVED: That the Zoning Board of Review for the City of Pawtucket does hereby grant a Use Variance pursuant to applicable provisions of the Pawtucket Zoning Ordinances and the State Zoning Enabling Act, and does hereby grant the application of Memorial Hospital of Rhode Island.

SPECIAL CONDITIONS: NONE

VOTE TO APPROVE: Allen, Sullivan, Gannon, Carvalho, Shabo,

VOTE TO DENY:

ATTENTION: Pursuant to § 410-119(A) of the Pawtucket Zoning Ordinance, any Variance granted by the Pawtucket Zoning Board of Review shall expire by limitation within one (1) year from the date the same is filed with the City Clerk's Office unless the applicant shall within said period exercise the right granted by said Decision.



Russell J. Ferland
Secretary, Zoning Board of Review

DATED: Tuesday, May 2, 2000

**PERMITS REQUIRED
PURSUANT TO THIS
DECISION, MUST BE
OBTAINED FROM THE
BUILDING INSPECTOR.**

#

City of Pawtucket
Zoning Board of Review

DECISION 04-49

At the meeting of the Pawtucket Zoning Board of Review held on Tuesday, September 7, 2004, the following Decision was rendered:

WHEREAS, Memorial Hospital, applicant and owner of Lots numbered 35, 23, and 24 on Tax Assessor's Plat 305 (111 Brewster Street) and located in a Residential Multi-Family Zone, filed an application and requested a special exception for an Endoscopies Unit addition under the Table of Use Regulations, not in conformance with the strict provisions of the Pawtucket Zoning Ordinance

error
should be
Lot 305
on Plat 305

WHEREAS, the members of the Zoning Board of Review made an inspection of the above-described premises and the surrounding properties in the neighborhood; and

WHEREAS, in accordance with the State Open Meetings Act, a public hearing was held on this application by the Zoning Board of Review at its meeting held on Tuesday, August 31, 2004, after public notice was provided pursuant to § 410-112 of the Pawtucket Zoning Ordinance.

The Board states that this application will be heard under a special-use permit as opposed to a special exception. Witness: Thomas Ross, VP of Memorial Hospital, 65 Meadow Lark Drive, Seekonk, MA. David Pragaman, 124 Grassy Blade Road, Riverside, Rhode Island testified that the Endoscopy Unit is presently housed in one of the buildings on this property and they would like to house it in its own building on this property. The witnesses state that at anytime they want to put an addition to this property they have to come before this Board because the land is zoned RM. The new building will take away 41 parking spaces. The new space will help free up and expand the emergency room area.

The Board questions how the applicant will absorb the loss of 41 parking spaces. Mr. Ross states that there was a letter submitted to this Board explaining one way the loss of parking spaces will be taken care of, i.e., the available parking at 555 Prospect Street. Mr. Ross also states that the current ordinance states that with the loss of 41 spaces there is still ample parking available on site. Also, Mr. Ross points out that there is usually on any given day 40 to 50 parking spaces not being used by the hospital's employees at this location and that he does not feel the loss of 41 spaces will inconvenience the hospital staff.

Mr. Ross states that proposed building/addition will be eight thousand square feet, landscaped; that currently on this land is a pave parking lot. The building will be 130 feet from Prospect Street and 182 feet from Pond Street. The building will be two-stories. The design of

CITY OF PAWTUCKET

the building will be in keeping with the current buildings on the property. The height of the building will be 25 feet.

During the course of the public hearing, the Board took administrative notice of the findings and advisory opinion submitted by the Planning Board. The opinion states that the proposed addition to the hospital structure is not adding any additional beds or services to the existing hospital. It is the relocation of an existing service, therefore more traffic and congestion will not be generated in the surrounding area by the addition. There hospital will lose 41 on site employee parking spaces, leaving the hospital a total of 1,105 on and off site parking spaces, which is more than adequate to meet its required parking.

NOW, THEREFORE, after consideration of the application and the testimony of the applicant and the advisory opinion submitted by the Planning Board, and after having carefully weighed the same, the Zoning Board of Review hereby makes the following findings:

The purpose of a special-use permit (formerly known as a special exception) is to establish within the ordinance "conditionally permitted uses." A Special-Use Permit contemplates a permitted use when under the terms of the zoning ordinance, the prescribed conditions are met. The fact that a particular use is allowed in a zoning district by special-use permit means that the City Council has already determined that it is an appropriate use for the district.

Relative to Special-Use Permits, § 410-113(B) of the zoning ordinance states that "[i]n granting a special use permit, the Board shall require that evidence to the satisfaction of the following standards be entered into the record of the proceedings:

(1) that the special use is specifically authorized by this ordinance, and setting forth the exact subsection of this ordinance containing the jurisdictional authorization;

(2) that the special use meets all of the criteria set forth in the subsection of this ordinance authorizing such special use; and

(3) that the granting of the special use permit will not alter the general character of the surrounding area or impair the intent or purpose of this ordinance or the comprehensive plan of the City "

The Rhode Island Supreme Court has stated that the burden of proof in a Special-Use Permit application is on the applicant. When applying for a grant of a Special-Use Permit, an applicant must preliminarily show that the relief sought is reasonably necessary for the convenience and welfare of the public. The "public convenience and welfare" pre-condition is satisfied when the applicant demonstrates that a proposed use will not result in conditions that will have a detrimental effect on the public health, safety, morals, and welfare. However, a Zoning Board may not deny granting a Special-Use Permit to a permitted use on the ground that the applicant has failed to prove that there is a community need for its establishment.

The Board finds that based on the facts offered by the applicant through testimony at the hearing and based on the Board's own inspection of the subject parcel, the applicant has offered sufficient probative evidence which substantiates their claim for relief. In the absence of substantial and probative evidence that the proposed use will danger the neighboring community in any manner, the Board holds that neither the proposed use nor its location on the site will have a detrimental effect upon the public health, safety, morals, and welfare of the surrounding area.

WHEREAS, upon consideration of the foregoing, it is hereby,

RESOLVED: That the Zoning Board of Review for the City of Pawtucket does hereby grant a Special-Use Permit pursuant to applicable provisions of the Pawtucket Zoning Ordinances and the State Zoning Enabling Act, and does hereby grant the application of Memorial Hospital.

SPECIAL CONDITIONS: None.

VOTE TO APPROVE: Gannon, Carvalho, McKinnon, Allen, Shabo

VOTE TO DENY:

ATTENTION: Pursuant to § 410-119(A) of the Pawtucket Zoning Ordinance, any Special-Use Permit granted by the Pawtucket Zoning Board of Review shall expire by limitation within one (1) year from the date the same is filed with the City Clerk's Office unless the applicant shall within said period exercise the right granted by said Decision.


Russell J. Ferland
Secretary, Zoning Board of Review

DATED: Wednesday, November 24, 2004

**PERMITS REQUIRED
PURSUANT TO THIS
DECISION, MUST BE
OBTAINED FROM THE
BUILDING INSPECTOR.**

**Inspection By Pawtucket
Fire Department Required**

#

Bk L2147 Pg 332 of 56
08-25-2004 @ 11:22a



CITY OF PAWTUCKET
RHODE ISLAND

DEPARTMENT OF PLANNING AND REDEVELOPMENT

JAMES E. DOYLE
MAYOR

MICHAEL D. CASSIDY
DIRECTOR

August 25, 2004

Thomas Ross
Memorial Hospital of Rhode Island
111 Brewster Street
Pawtucket, RI 02860

SUBJECT: SITE PLAN REVIEW, PLAT 23, 24, 35, LOT 305

This letter is to confirm that the City Planning Commission has granted approval to applicant and owner, Memorial Hospital of Rhode Island for the site plan prepared by VHB, Inc., dated July 30, 2004, for proposed building and site improvements on Plat 23, 24, 25, Lot 305 on Brewster Street provided the following conditions are met:

1. A complete landscape plan stamped and signed by a registered landscape architect depicting all new landscaping is submitted;
2. A special use permit from the Zoning Board is obtained;
3. Application fee of \$763.62 made payable to the City of Pawtucket submitted to the Department of Planning and Redevelopment.

Please feel free to contact me with any questions.

Sincerely,

Michael D. Cassidy
Director

CITY OF PAWTUCKET

Bk 12708 P 107
08-18-2006 @ 12:00 PM

#



CITY OF PAWTUCKET
RHODE ISLAND

DEPARTMENT OF PLANNING AND REDEVELOPMENT

JAMES E. DOYLE
MAYOR

MICHAEL D. CASSIDY
DIRECTOR

August 17, 2006

Mr. Thomas L. Ross, Vice President
Memorial Hospital of Rhode Island
111 Brewster Street
Pawtucket, Rhode Island 02860

Re: DPR 28-06, Memorial Hospital

Dear Mr. Ross:

This letter is to confirm that at their August 15, 2006 meeting, the City Planning Commission granted conditional approval for the addition submitted to the Planning Department, shown on the floor plan prepared by Vision 3 Architects titled "Emergency Department Renovation" dated 2-9-06.

This application may also need zoning relief. Normally, the procedure would be for you to determine what zoning relief you need and, if you need a use variance, you would first request that before submitting your application to the Planning Department. However, you stated that this Planning Commission approval was necessary to move forward with your application to the Department of Health for your Certificate of Need. This approval is, therefore, conditional upon a number of approvals, including any required by the Zoning Board of Review and the Rhode Island Department of Health. Please provide documentation of these approvals, as well as a site plan, to the Planning Department to receive your final approval.

If you have any questions about these requirements, please contact me.

Sincerely,

Michael D. Cassidy
Director

CITY OF PAWTUCKET

CC:
Ron Travers, Zoning Official



CITY OF PAWTUCKET

CITY HALL
137 ROOSEVELT AVENUE
PAWTUCKET, RHODE ISLAND 02860

DIVISION OF ZONING & CODE ENFORCEMENT

JAMES E. DOYLE
MAYOR

RONALD F. TRAVERS
DIRECTOR

CERTIFICATE OF ZONING COMPLIANCE

DATE: August 7, 2006

ASSESSOR'S PLAT: 35

LOT: 23 & 24

APPLICANT: Memorial Hospital of RI

CORPORATION NAME:

D/B/A: Memorial Hospital of RI

BUSINESS ADDRESS: 111 Brewster Street

CERTIFICATE NO. : 2006 117

THE PROPOSED USE AS DESCRIBED BELOW CONFORMS TO THE ZONING
ORDINANCE OF THE CITY OF PAWTUCKET, RHODE ISLAND.

Use: **Section 410-12.5.E.**
Hospital Emergency Room
Emergency Department

Ronald F. Travers, Director
Zoning & Code Enforcement

THIS CERTIFICATE DOES NOT AUTHORIZE BUILDING CONSTRUCTION OF ANY
TYPE INCLUDING REPAIRS OR RENOVATIONS. SEPARATE BUILDING, ELECTRICAL,
PLUMBING OR MECHANICAL PERMITS MAY BE REQUIRED, AS WELL AS
NARRAGANSETT BAY COMMISSION AND DEPARTMENT OF HEALTH APPROVAL.

CITY OF PAWTUCKET





State of Rhode Island and Providence Plantations

OFFICE OF THE SECRETARY OF STATE
100 NORTH MAIN STREET
PROVIDENCE, RHODE ISLAND 02903-1335

CERTIFICATE OF INCORPORATION
OF

ENTERPRISE HEALTH SYSTEM

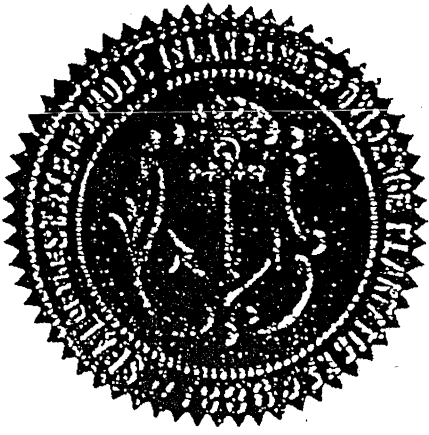
The undersigned, as Secretary of State of the State of Rhode Island, hereby certifies that duplicate originals of Articles of Incorporation for the incorporation of ENTERPRISE HEALTH SYSTEM

duly signed pursuant to the provisions of Chapter 7-6 of the General Laws, 1956, as amended, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation of ENTERPRISE HEALTH SYSTEM

and attaches hereto a duplicate original of the Articles of Incorporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the State of Rhode Island this seventh day of November A.D., 19 95



James R. Langerin
Secretary of State

By [Signature]
Acting Deputy Secretary of State

FILED

NOV 7 1995

By [Signature]

State of Rhode Island and Providence Plantations
Office of the Secretary of State
Corporations Division
100 North Main Street
Providence, RI 02903

NON-PROFIT CORPORATION
DUPLICATE ORIGINAL ARTICLES OF INCORPORATION

The undersigned, acting as incorporators of a corporation under Chapter 7-6 of the General Laws, 1956, as amended, adopt the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation is ENTERPRISE HEALTH SYSTEM.

SECOND: The period of its duration is perpetual.

THIRD: The purpose or purposes for which the corporation is organized are: To plan and coordinate the delivery of high quality health services; to operate for the benefit of and to support Women & Infants Hospital, Kent County Memorial Hospital, and Butler Hospital, and such other charitable, scientific or educational public charities, described in Sections 501(c)(3) and 509(a)(1) or 509(a)(2) of the Internal Revenue Code of 1986, as amended (the "Code") or in a corresponding provision of any further statute, as may be affiliated with the corporation from time to time; and to carry on any other activity that may be lawfully carried on by a corporation formed under the Rhode Island Nonprofit Corporation Act as may be in effect from time to time.

FOURTH: Provisions for the regulation of the internal affairs of the corporation are:

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NOV 7 1995
By AB#9

D. Limitation of Liability. A member of the board of directors of the corporation (a "director") shall not be personally liable to the corporation for monetary damages for breach of the director's duty as a director, except for (i) liability for any breach of the director's duty of loyalty to the corporation or its members, (ii) liability for acts or omission not in good faith or which involve intentional misconduct or a knowing violation of the law, or (iii) liability for any transaction from which the director derived an improper personal benefit. If the Rhode Island Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the fullest extent permitted or limited by the Rhode Island Nonprofit Corporation Act as so amended. Any repeal or modification of the provisions of this Paragraph D by the corporation shall not adversely affect any right or protection of a director of the corporation existing prior to such repeal or modification.

E. Indemnification. In addition to the authority conferred upon the corporation by Section 7-6-6 of the Rhode Island Nonprofit Corporation Act, the corporation's by-laws may, subject to the provisions of this Paragraph E, include such terms and conditions as the board of directors, in its sole discretion, determine appropriate, specifically including the authorization of the following:

(i) Payment, on behalf of a director, or officer for any Loss or Expenses arising from any claim or claims which are made against the director or officer (whether individually or jointly with other directors or officers) by reason of any Covered Act of the director or officer.

(ii) Coverage of a Loss or Expenses arising from any claims made against a director or officer no longer serving in an official capacity, the estate, heirs or legal representative of an incompetent, insolvent or bankrupt director or officer, where the director or officer was a director or officer at the time the Covered Act upon which such claims are based occurred.

(iii) Advancement of Expenses to a director or officer prior to the final disposition of any action, suit or proceeding, or any appeal therefrom, involving such director or officer and based upon the alleged commission by such director or officer of a Covered Act, subject to an undertaking by or on behalf of such director to repay the same to the corporation in the event indemnification is not permitted under this Paragraph E.

Notwithstanding the foregoing, provisions of the by-laws authorized by this Paragraph E may not indemnify a director or officer from and against any Loss, and the corporation shall not reimburse for any Expenses, in connection with any claim or claims made against a director or officer for: (i) any breach of the director's or officer's duty of loyalty to the corporation; (ii) acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law; (iii) a transaction from which the person seeking indemnification derived an improper personal benefit.

For the purposes of this Paragraph E, when used herein:

(i) "Loss" means any amount which a director or officer is legally obligated to pay for any claim for a Covered Act and shall include, without being limited to, damages, settlement, fines, penalties, or, with respect to employee benefit plans, excise taxes;

(ii) "Expenses" means any expenses incurred in connection with the defense against any claim for a Covered Act, including, without being limited to, legal, accounting or investigative fees and expenses;

(iii) "Covered Act" means any act or omission of a director or officer in the director's or officer's official capacity with the corporation.

FIFTH: The address of the initial registered office of the corporation is 1500 Fleet Center, Providence, RI 02903, and the name of the initial registered agent at such address is Thomas R. Courage.

SIXTH: The number of directors constituting the initial Board of Directors of the corporation is three and the names and addresses of the persons who are to serve as the initial directors are:

Name	Address
John J. Hynes	455 Toll Gate Road Warwick, RI 02886
Thomas G. Parris, Jr.	45 Willard Avenue Providence, RI 02905
Frank A. Delmonico	345 Blackstone Blvd. Providence, RI 02906

A. Charitable Purposes. The property of the corporation is irrevocably dedicated to charitable purposes, and no part of the net earnings, profits or assets of the corporation upon dissolution or otherwise shall inure to the benefit of any private person or individual or any trustee of the corporation, and upon liquidation or dissolution all property and assets of the corporation remaining after paying or providing for all debts and other expenses shall be distributed and paid over to an organization described in the Code or in a corresponding provision of any further statute; provided, however, that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and make payments and distributions in furtherance of the purposes set forth in Article Third hereof. The corporation shall not, as a substantial part of its activities, carry on propaganda or otherwise attempt to influence legislation. The corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the corporation is organized exclusively for one or more of the purposes specified in Section 501(c)(3) of the Code and shall not carry on any activities not permitted to be carried on by an organization exempt from tax under Section 501(c)(3) of the Code or under a corresponding provision of any future statute.

B. Members. The corporation may have members as shall be provided in the by-laws.

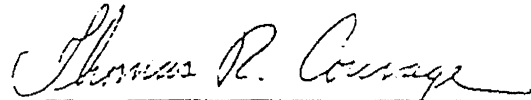
C. Board of Directors. The power and authority to conduct business and affairs of the corporation shall be vested solely in a board of directors, except as otherwise provided by law, the articles of incorporation, or the by-laws. Without limiting the generality of the foregoing, the majority of the board of directors holding office from time to time shall have the power to authorize the sale, lease, mortgage or other disposition of all or any portion of the assets of the corporation. Notwithstanding anything herein to the contrary, the by-laws may include specific limitations to the power and authority of the board of directors. The number of directors, the manner of their election, their terms of office, and all of the matters pertaining to the constitution of the board of directors and the proceedings thereof shall be as provided in the by-laws.

SEVENTH: The name and address of each incorporator is:

Name	Address
Thomas R. Courage	1500 Fleet Center Providence, RI 02906

EIGHTH: The date when corporate existence begins is upon filing.

Dated: November 3, 1995


Thomas R. Courage

86892

Filing Fee \$10.00



State of Rhode Island and Providence Plantations

OFFICE OF THE SECRETARY OF STATE

100 North Main Street
Providence, Rhode Island
02903-1335

NON-PROFIT CORPORATION

PLEASE TAKE NOTICE
that the corporation must be in good standing prior to filing

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

RECEIVED
SECRETARY OF STATE
JAN 29 3 49 PM '96

.....ENTERPRISE HEALTH SYSTEM.....

Pursuant to the provisions of Section 7-6-40 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation isENTERPRISE HEALTH SYSTEM.....

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:
(Insert Amendment)

Article FIRST of the Articles of Incorporation shall be amended, in its entirety, to read as follows:

"FIRST: The name of the corporation is CARE NEW ENGLAND HEALTH SYSTEM".

FILED

JAN 25 1996

BY MP09

THIRD: The amendment was adopted in the following manner:

(Note 1)

The amendment was adopted by a consent in writing signed under date of January 29, 1996 by all of the Directors, there being no members entitled to vote in respect thereof.

Dated January 29, 1996

ENTERPRISE HEALTH SYSTEM (Note 2)

By John J. Hynes (Note 3)

Its President

and Constance A. Howes (Note 3)

Constance A. Howes

Its Secretary

NOTES:

- 1. Insert whichever of the following statements is applicable:
(a) 'The amendment was adopted at a meeting of members held on ... at which a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast.'
(b) 'The amendment was adopted by a consent in writing signed under date of ... by all members entitled to vote in respect thereto.'
(c) 'The amendment was adopted at a meeting of the Board of Directors held on ... and received the vote of a majority of the Directors in office, there being no members entitled to vote in respect thereof.'
2. Exact corporate name of corporation adopting the Amendment.
3. Signatures and titles of officers signing for the corporation.



State of Rhode Island and Providence Plantations

A. Ralph Mollis
Secretary of State

FILE COPY

The Office of the Secretary of State of the State of Rhode Island and Providence Plantations, *HEREBY CERTIFIES, that*

CARE NEW ENGLAND HEALTH SYSTEM

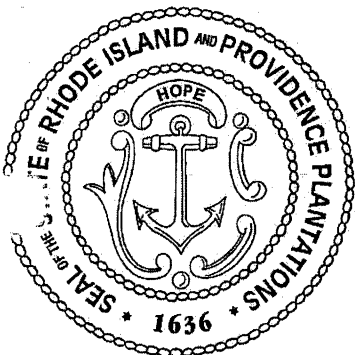
a Rhode Island non-profit corporation, filed articles of incorporation in this office on the 7th day of November, 1995; and

IT IS FURTHER CERTIFIED that as of this date said non-profit corporation is duly organized and existing under and by virtue of the laws of the State of Rhode Island and is in good standing according to the records of this office.

SIGNED AND SEALED this twenty-third day of February, A.D. 2007.

Secretary of State

BY





State of Rhode Island and Providence Plantations
OFFICE OF THE SECRETARY OF STATE
100 NORTH MAIN STREET
PROVIDENCE, RHODE ISLAND 02903-1335

**CERTIFICATE OF AMENDMENT
TO ARTICLES OF INCORPORATION
OF**

CARE NEW ENGLAND HEALTH SYSTEM

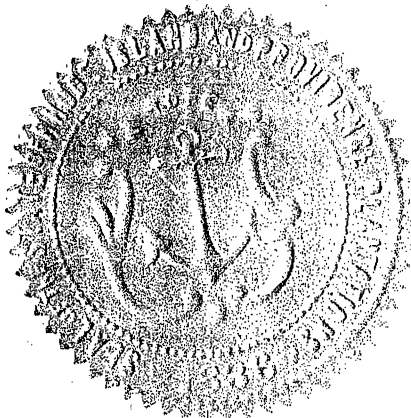
The undersigned, as Secretary of State of the State of Rhode Island, hereby certifies that duplicate originals of Articles of Amendment to the Articles of Incorporation of.....
CARE NEW ENGLAND HEALTH SYSTEM
.....duly signed pursuant to the provisions of Chapter 7-6 of the General Laws, 1956, as amended, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Amendment to the Articles of Incorporation of.....
CARE NEW ENGLAND HEALTH SYSTEM
.....and attaches hereto a duplicate original of the Articles of Amendment.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the State of Rhode Island this twenty-eighth day of February A.D., 19 97

James R. Langevin
.....
Secretary of State

By *Jane Buthaune*.....
Acting Deputy Secretary of State



Filing Fee \$10.00



State of Rhode Island and Providence Plantations

OFFICE OF THE SECRETARY OF STATE

100 North Main Street
Providence, Rhode Island
02903-1335

NON-PROFIT CORPORATION

PLEASE TAKE NOTICE
that the corporation must be in good standing prior to filing

DUPLICATE ORIGINAL OF
ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

CARE NEW ENGLAND HEALTH SYSTEM

Pursuant to the provisions of Section 7-6-40 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is CARE NEW ENGLAND HEALTH SYSTEM

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

VOTED: That Paragraph A of Article FOURTH of the Articles of Incorporation of the Corporation, as amended, shall be deleted and Paragraph A set forth on Exhibit A attached hereto shall be substituted therefore.

FILED

FEB 28 1997

By

[Handwritten signature]
177984

DEPARTMENT OF STATE
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.

THIRD: The amendment was adopted in the following manner:

(Note 1)

This amendment was adopted by a consent in writing signed under the date of February 27, 1997 by all members entitled to vote in respect thereto.

Dated February 27, 1997

CARE NEW ENGLAND HEALTH SYSTEM (Note 2)

By [Signature] (Note 3)

Its President or Vice-President

and Constance A. Howes (Note 3)

Its Secretary or Assistant-Secretary

NOTES:

- 1. Insert whichever of the following statements is applicable:
(a) "The amendment was adopted at a meeting of members held on ... at which a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast."
(b) "The amendment was adopted by a consent in writing signed under date of ... by all members entitled to vote in respect thereto."
(c) "The amendment was adopted at a meeting of the Board of Directors held on ... and received the vote of a majority of the Directors in office, there being no members entitled to vote in respect thereof."
2. Exact corporate name of corporation adopting the Amendment.
3. Signatures and titles of officers signing for the corporation.


EXHIBIT A

“A. Charitable Purposes.

(a) The Corporation is irrevocably dedicated to charitable purposes, and no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article THIRD hereof.

(b) Upon the dissolution of the Corporation, the board of directors of the Corporation shall, after paying or making provision for the payment of all liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable and educational purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), as the board of directors shall determine. Any of such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

(c) The corporation shall not, as a substantial part of its activities, carry on propaganda or otherwise attempt to influence legislation. The corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the corporation is organized exclusively for one or more of the purposes specified in Section 501(c)(3) of the Code and shall not carry on any activities not permitted to be carried on by an organization exempt from tax under Section 501(c)(3) of the Code or under a corresponding provision of any future statute.”



*Amended and Restated Bylaws of
Care New England Health System*



CARE NEW ENGLAND

BUTLER HOSPITAL • KENT HOSPITAL • WOMEN & INFANTS HOSPITAL
VNA of CARE NEW ENGLAND • CNE WELLNESS CENTER

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**AMENDED AND RESTATED
BYLAWS
of
CARE NEW ENGLAND HEALTH SYSTEM**

Article 1

Purposes, Powers and Offices

Section 1.1 **Purposes.** Care New England Health System (the “**Corporation**”) is organized, and at all times shall be operated, for the exclusive purpose of engaging in charitable, educational and scientific activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time (or the provisions of any succeeding law), and to the extent applicable, the regulations promulgated thereunder by the U.S. Department of Treasury (the “**Code**”), including, without limitation (a) to plan and coordinate a system for the delivery of high quality health services; (b) to operate for the benefit of and to support Women & Infants Hospital of Rhode Island (“**WIH**”), Kent County Memorial Hospital (“**KCMH**”), Butler Hospital (“**Butler**”), Kent County Visiting Nurse Association d/b/a VNA of Care New England (“**VNA**”), and such other charitable, scientific or educational, public charities, described in Section 501(c)(3) and 509(a) of the Code, as may be affiliated with the Corporation from time to time; (c) to carry out the purposes set forth in the Articles of Incorporation of the Corporation (the “**Articles of Incorporation**”); and (d) to do whatever is deemed necessary, useful, advisable or conducive, directly or indirectly, to carry out the purposes of the Corporation described in this Section 1.1, including to carry on any other activity that may be lawfully carried on by a corporation formed under the Rhode Island Nonprofit Corporation Act, as the same may be amended from time to time (or the provisions of any succeeding law) (the “**Nonprofit Corporation Act**”). For purposes of these Amended and Restated Bylaws of Care New England Health System (the “**Bylaws**”), an “**Affiliate**” means WIH, KCMH, Butler, VNA, Women & Infants Corporation (“**WIC**”), and any other entity in which the Corporation directly controls (through power to elect through membership, ownership, contract or otherwise fifty percent (50%) or more of the governing body of such entity).

Section 1.2 **Powers.** The Corporation shall have all the powers enumerated in the Nonprofit Corporation Act; provided, however, that the Corporation shall exercise its powers

only in the furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws. Without limiting the foregoing, the Corporation shall undertake the following:

(a) Planning, directing and establishing policies to assure the development and delivery of quality health and behavioral health services, professional education and biomedical research on an integrated cost-effective basis;

(b) Establishing and maintaining uniform accounting policies;

(c) Negotiating, developing and approving all third party reimbursement, indemnity and managed care agreements and the like;

(d) Negotiating, developing and approving affiliation agreements for education and research between the Corporation and any appropriate school of medicine or other academic institution;

(e) Approving human resource policies;

(f) Amending or amending and restating the Articles of Incorporation, these Bylaws and other organizational and/or governing instruments and approving amendments to the charter, articles of incorporation or other organizational and/or governing instruments of any Affiliate;

(g) Approving a strategic plan and changes to any mission statement of the Corporation and any Affiliate;

(h) Approving capital budgets, operating budgets, and non-budgeted expenditures for the Corporation and any Affiliate in excess of \$500,000 or such other amount as may be determined by the Board of Directors of the Corporation (the "**Board**" or "**Board of Directors**") from time to time;

(i) Approving the establishment, termination, or relocation (other than to a different location on the same campus) of any major clinical services of any Affiliate;

(j) Authorizing participation in joint ventures, consolidations, network associations and the like;

(k) Authorizing the formation of any new subsidiary or joint venture involving any Affiliate;

(l) Considering and authorizing incurrence of material indebtedness;

(m) Monitoring investment policy, including consideration of placing investments under common management to achieve economic efficiencies; and

- (n) Planning, developing and implementing an integrated information system.

Section 1.3 **Offices**. The Corporation shall have its principal office and other offices at such places within and outside the State of Rhode Island as may from time to time be determined by the Board.

Article 2

Members

Section 2.1 **Members**. The members of the Corporation shall be those individuals then-serving as members of the Board of Directors. Any action required by law to be taken by the members of the Corporation shall be taken by the Board, acting as the members of the Corporation, pursuant to the procedures set forth in Section 3.8 through Section 3.15.

Article 3

Board of Directors

Section 3.1 **Authority of the Board**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors and the Board of Directors shall have, and may exercise, all of the powers of the Corporation.

Section 3.2 **Number of Directors**.

(a) Unless the Board otherwise determines, the Board of Directors shall consist of (a) between ten (10) and fourteen (14) directors elected directors (the “**Elected Directors**”); and (b) the President and Chief Executive Officer of the Corporation (the “**President and Chief Executive Officer**”), and the President of the Medical Staff of each of WIH, KCMH and Butler, each of whom shall serve as *ex officio* directors of the Board with vote (the “**Ex Officio Directors**,” and collectively with the Elected Directors, the “**Directors**”). Each Director shall have one (1) vote.

(b) Unless the Board otherwise determines, a majority of the Elected Directors shall be “**independent**” under standards established from time to time by resolution adopted by the Board. Additionally, the Board of Directors shall include individuals with such skill and experience as are necessary or helpful in the governance of the Corporation.

Knowledge of and experience in medical education and research shall be a required competency, and if at any time such competency is lacking, an individual with such competency shall be identified and elected as soon as practicable. Knowledge of and experience in the quality of health care shall be considered a desirable competency but not a required competency. Notwithstanding the foregoing, the absence of any particular competency, skill or experience at any given time shall not affect whether the Board of Directors is legally constituted.

Section 3.3 **Directors Emeritus.** The Board of Directors may, at any time, elect to the position of “**Director Emeritus,**” a former director of the Board who, in the judgment of the Board, has served with special distinction on the Board. A Director Emeritus may be appointed for life or such other term as the Board may designate and shall be invited to attend public functions from time to time, as appropriate. A Director Emeritus shall not have any duties or authority of any then-current Director.

Section 3.4 **Election and Term of Directors.**

(a) Those individuals elected as Elected Directors in 2011 shall serve until the 2014 annual meeting of the Board of the Corporation.

(b) At the 2014 annual meeting of the Board, the Elected Directors shall be classified into three (3) classes, Class I, Class II and Class III of approximately the same size for the purpose of the terms for which they severally hold office. The then-current Elected Directors classified as Class I shall serve for a one (1) year term (until the 2015 annual meeting of the Board); the then-current Elected Directors classified as Class II shall serve for a two (2) year term (until the 2016 annual meeting of the Board); and the then-current Elected Directors classified as Class III shall serve for a three (3) year term (until the 2017 annual meeting of the Board).

(c) Commencing at the 2015 annual meeting of the Board and each annual meeting of the Board thereafter, the Board shall elect, from those nominees recommended by the Governance and Nominating Committee of the Corporation, that number of nominees to fill the Class I, Class II or Class III, as applicable, Elected Director positions and such elected directors shall serve for a three (3) year term. Elected Directors may serve for up to three (3) consecutive three (3) year terms; provided, however that the Board may waive this limit for Elected Directors who are then-serving as a chairperson of a Board committee. Terms served prior to being

elected in 2011 and terms of less than three (3) years shall not be counted for purposes of determining the number of terms served.

(d) The Ex Officio Directors shall serve on the Board by virtue of his or her position as the President and Chief Executive Officer or President of the Medical Staff of WIH, KCMH or Butler, as applicable, and as such, shall be deemed to have resigned as an Ex Officio Director at any time that he or she ceases to serve in his or her respective position with his or her replacement as the President and Chief Executive Officer or President of the Medical Staff of WIH, KCMH or Butler filling his or her vacancy as an Ex Officio Director.

Section 3.5 **Resignation of Elected Directors.** Any Elected Director may resign at any time by giving written notice to the Board, the Chairperson of the Board (the “**Chairperson**”), a Vice Chairperson, the President and Chief Executive Officer, or the Secretary. The resignation of an Elected Director shall take effect upon the receipt of written notice or at such time as specified in the written notice. Unless otherwise specified in the written notice, acceptance of the resignation shall not be necessary to make it effective.

Section 3.6 **Removal of Elected Directors.** Any Elected Director may be removed with or without cause by a majority vote of the Board. An Elected Director shall receive ten (10) days prior written notice by registered or certified mail of a meeting concerning the removal of such Elected Director and shall be entitled to appear and be heard, but not vote, at such meeting.

Section 3.7 **Vacancy – Elected Directors.** Subject to the term limits set forth in Section 3.4, any vacancy in an Elected Director position shall be filled by the Board at the next annual meeting or any special meeting of the Board called for that purpose. An individual elected to fill a vacancy will serve for the unexpired term of his or her predecessor.

Section 3.8 **Meetings of the Board.** An annual meeting of the Board of Directors shall be held during December in each year on such date and at such time and place as may be determined by the Board of Directors; which annual meeting may occur simultaneous with, or directly prior to or directly following, the regular meeting of the Board held during December. Unless the Board otherwise determines, there shall be regular monthly meetings of the Board; which regular meetings shall be held at such time and such place as may be determined by the Board of Directors. A special meeting of the Board of Directors shall be called by the Secretary

(or other person as directed by the Board of Directors) upon the request of any two (2) Directors, the Chairperson, a Vice-Chairperson or the President and Chief Executive Officer.

Section 3.9 **Place of Meetings – Board.** All annual, regular and special meetings of the Board shall be held at such place, either within or outside the State of Rhode Island as shall be determined by the Board of Directors and stated in the notice for such meeting.

Section 3.10 **Notice for Meetings – Board.** The schedule (including dates, place and hour) of the regular monthly meetings of the Board for a year shall be delivered to each Director in advance of the first regular meeting for such year. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of any annual or special meeting to each Director, which written notice shall state the place, day and hour of the meeting and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to each Director's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than seven (7) days prior to the date of the special meeting; provided, however, that a special meeting may be called upon forty-eight (48) hours notice if such notice is given personally or by telephone to each Director. Notice of any meeting of the Board does not need to state the business to be transacted at, nor the purpose of, such meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, electronic mail sent or message left by telephone.

Section 3.11 **Waiver of Notice – Board.** A Director may waive notice of any meeting either before or after a meeting by providing to the Secretary a written waiver which shall be placed in the Corporation's records. Attendance by a Director at a meeting shall constitute waiver of notice of that meeting, except where such attending Director objects at the beginning of such meeting to the transaction of business because the meeting is not lawfully called or convened.

Section 3.12 **Quorum – Board.** A quorum shall exist at a meeting of the Board of Directors if a majority of the then-current Directors are present in person. In the absence of a quorum at any meeting of the Board of Directors, the Directors present in person at such

meeting, shall have the power to adjourn the meeting to another place, day and hour with notice given to the Directors in the same manner as a special meeting.

Section 3.13 **Action at Meetings – Board**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affirmative vote of a majority of the Directors present in person at a meeting at which a quorum is present shall be required to take action on any question brought at such meeting. Notwithstanding the foregoing or anything to the contrary herein, the following actions shall require the affirmative vote of three-quarters (3/4) of the total number of then-current Directors:

- (a) sale, mortgage or discontinuation of use of all or substantially all of the real property or assets of the Corporation or any Affiliate;
- (b) merger with or acquisition of the Corporation by another entity, or material acquisition by the Corporation or any Affiliate of another provider or system of providers;
- (c) any material change in the mission of the Corporation or any Affiliate; or
- (d) any change in the provisions of this Section 3.13 or similar provision in the bylaws of any Affiliate.

Section 3.14 **Participation by Telephone – Board**. To the extent a Director is unable to attend an annual, regular or special meeting in person and such Director has provided notice to the office of the President and Chief Executive Officer of his or her circumstances, then such Director may participate in such annual, regular or special meeting by means of a conference telephone or other similar communications equipment pursuant to which all Directors participating in such meeting may simultaneously hear each other and such participation shall be deemed participation “in person.”

Section 3.15 **Written Consents – Board**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Board may take action without a meeting if written consents setting forth the action are requested from and signed by all the Directors, which written consents may be signed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same written consent and which written consent(s) shall be placed in the records of the Corporation.

Section 3.16 **Reimbursement of Expenses – Board.** The Board of Directors may resolve to pay the reasonable out-of-pocket expenses incurred by a Director in the performance of his or her duties as a Director. This Section 3.16 shall not preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Article 4

Committees

Section 4.1 **Committees.** The Board of Directors shall have the following standing committees: an Executive Committee, a Finance Committee, a Planning Committee, a Governance and Nominating Committee, an Audit & Compliance Committee, a Compensation Committee, an Investment Committee, and a Quality Committee. The chairperson of each standing committee of the Board shall be a member of the Board. The Board of Directors may designate such other committees by resolution to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. All committee members (along with the Directors and officers of the Corporation and the Affiliates), shall be subject to the Corporation's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the Board of Directors. Unless otherwise determined by the Board, all committees shall adopt a committee charter which shall include the purposes, duties and responsibilities and membership of such committee; provided, that such committee charter (and any amendments thereto) shall be subject to review by the Governance and Nominating Committee and approval by the Board.

Section 4.2 Term and Election – Committee Members.

(a) Except for those individuals serving as a committee member by virtue of his or her position with the Corporation or an Affiliate and unless otherwise provided herein, the committee members shall be elected to serve on a committee by the Board from those nominees recommended by the Governance and Nominating Committee.

(b) Except for those individuals serving as a committee member by virtue of his or her position with the Corporation or an Affiliate (the term of which shall be concurrent with such individual's service in his or her position with the Corporation or Affiliate, as applicable, and expire at any time he or she ceases to serve in his or her respective position with

his or her replacement filling his or her vacancy on the applicable committee), and unless otherwise determined by the Board, the term of each committee member will be one (1) year and there shall be no limit on the number of terms a committee member may serve.

Section 4.3 **Resignation, Removal and Vacancy – Committee Members.** Except for those individuals serving as a committee member by virtue of his or her position with the Corporation or an Affiliate, a committee member may resign at any time by giving written notice to the Board, the Chairperson, a Vice-Chairperson, the President and Chief Executive Officer, or the Secretary or may be removed with or without cause by the Board. The resignation of a committee member shall take effect upon the receipt of written notice or at such time as specified in the written notice. Unless otherwise specified in the written notice, acceptance of the resignation shall not be necessary to make it effective. Subject to any term limit determined by the Board for such committee member position, any vacancy in a committee member position shall be filled by the Board. An individual elected to fill a vacancy will serve for the unexpired term of his or her predecessor

Section 4.4 **Meetings – Committees.** Committees may hold meetings (regular and/or special) either within or outside the State of Rhode Island as shall be determined by such committee or the Board of Directors and stated in the notice for such meeting. A special meeting of a committee shall be called by the applicable chairperson upon the request of two (2) members of the applicable committee or the Board of Directors. Regular meetings of a committee shall be held at such intervals as set forth in the applicable committee's charter. The applicable chairperson (or other person as directed by the applicable chairperson) shall deliver written notice of any special meeting to each member of such committee, which written notice shall state the place, day and hour of the meeting and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to the committee member's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than seven (7) days prior to the date of the special meeting; provided, however, that in the event of an emergency, a special meeting may be called upon forty-eight (48) hours notice if such notice is given personally or by telephone to each member of such committee. Notice of any committee meeting does not need to state the business to be transacted at, nor the purpose of, such committee meeting. Notice will be deemed delivered at the time when same is deposited in

the United States mail, delivered to the delivery service, electronic mail sent or message left by telephone. If a committee charter addresses some or all of the provisions in this Section 4.4, the provisions in the committee charter shall prevail.

Section 4.5 **Waiver of Notice – Committees**. A committee member may waive notice of any meeting either before or after a meeting by providing to the Secretary a written waiver which shall be placed in the Corporation's records. Attendance by a committee member at a meeting shall constitute waiver of notice of that meeting, except where such attending committee member objects at the beginning of such meeting to the transaction of business because the meeting is not lawfully called or convened.

Section 4.6 **Quorum – Committees**. A quorum shall exist at a meeting of a committee if at least one-third (1/3) of the then-current members of such committee are present in person. Notwithstanding the foregoing, a quorum shall exist at a meeting of the Executive Committee, the Governance and Nominating Committee or the Compensation Committee if one-half (1/2) of the then-current members of such committee are present in person.

Section 4.7 **Action at Meetings; Written Consents – Committees**. The affirmative vote of a majority of the members of a committee present in person at a meeting at which a quorum is present shall be required to take action on any question brought at such meeting. Any action which may be taken at a meeting of a committee may be taken without a meeting if written consents setting forth the action are requested from and signed by all the members of such committee, which written consents may be signed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same written consent and which written consent(s) shall be placed in the records of the Corporation. If a committee charter addresses some or all of the provisions in this Section 4.7, the provisions in the committee charter shall prevail.

Section 4.8 **Participation by Telephone – Committees**. To the extent a committee member is unable to attend a regular or special meeting in person and such committee member has provided notice to the applicable chairperson of his or her circumstances, then such committee member may participate in such regular or special meeting by means of a conference telephone or other similar communications equipment pursuant to which all committee members

participating in such meeting may simultaneously hear each other and such participation shall be deemed participation “in person.”

Section 4.9 **Executive Committee.** Unless otherwise determined by the Board, the Executive Committee shall consist of the Chairperson, each Vice-Chairperson of the Corporation, the President and Chief Executive Officer and the chairperson of the Finance Committee. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, during the intervals between meetings of the Board, the Executive Committee shall have and may exercise all the authority of the Board which is not inconsistent with any prior action of the Board.

Section 4.10 **Finance Committee.** The Board of Directors shall have a Finance Committee which shall consist of (unless otherwise determined by the Board) the Treasurer of the Corporation (who shall serve as the chairperson of the Finance Committee), the President and Chief Executive Officer, the Chief Financial Officer of the Corporation, at least three (3) members of the Board, and such other members as the Chairperson shall nominate and the Board of Directors shall elect. The specific duties and responsibilities of the Finance Committee shall be set forth in the Finance Committee charter.

Section 4.11 **Planning Committee.** The Board of Directors shall have a Planning Committee which shall consist of (unless otherwise determined by the Board) not fewer than six (6) members, at least three of whom shall be members of the Board and at least one (1) of whom shall be an individual having detailed familiarity with the operations of each of WIC/WIH, KCMH, Butler and VNA and such committee members shall be nominated by the Chairperson and elected by the Board of Directors. The specific duties and responsibilities of the Planning Committee shall be set forth in the Planning Committee charter.

Section 4.12 **Governance and Nominating Committee.** The Board of Directors shall have a Governance and Nominating Committee which shall consist of (unless otherwise determined by the Board) not fewer than three (3) members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect. Each member of the Governance and Nominating Committee shall be “**independent**” under standards established from time to time by resolution adopted by the Board. The specific duties and

responsibilities of the Governance and Nominating Committee shall be set forth in the Governance and Nominating Committee charter.

Section 4.13 **Audit & Compliance Committee**. The Board of Directors shall have an Audit & Compliance Committee which shall consist of (unless otherwise determined by the Board) not fewer than three (3) members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect. Each member of the Audit & Compliance Committee shall be “**independent**” under standards established from time to time by resolution adopted by the Board. The specific duties and responsibilities of the Audit & Compliance Committee shall be set forth in the Audit & Compliance Committee charter.

Section 4.14 **Compensation Committee**. The Board of Directors shall have a Compensation Committee which shall consist of (unless otherwise determined by the Board) not fewer five (5) members, three (3) of whom shall be members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect. Each member of the Compensation Committee shall be “**independent**” under standards established from time to time by resolution adopted by the Board. The specific duties and responsibilities of the Compensation Committee shall be set forth in the Compensation Committee charter.

Section 4.15 **Investment Committee**. The Board of Directors shall have an Investment Committee which shall consist of (unless otherwise determined by the Board) not fewer than three (3) members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect and of which shall include individuals whose knowledge of investments are of value to the Investment Committee. The specific duties and responsibilities of the Investment Committee shall be set forth in the Investment Committee charter.

Section 4.16 **Quality Committee**. The Board of Directors shall have a Quality Committee which shall consist of (unless otherwise determined by the Board) not fewer than three (3) members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect and of which shall include physician and nursing leaders who have demonstrated knowledge regarding quality of hospital and health services. The specific duties and responsibilities of the Quality Committee shall be set forth in the Quality Committee charter.

Section 4.17 **Reimbursement of Expenses – Committee Members.** The Board of Directors may resolve to pay the reasonable out-of-pocket expenses incurred by a committee member in the performance of his or her duties as a committee member. This Section 4.17 shall not preclude any committee member from serving the Corporation in any other capacity and receiving compensation therefor.

Article 5

Officers

Section 5.1 **Officers.** The officers of the Corporation shall be a Chairperson, one (1) or more Vice-Chairpersons, a President and Chief Executive Officer, one (1) or more Vice Presidents, a Secretary, a Treasurer, an Assistant Treasurer, and such other officers or assistant officers as may be appointed from time to time by the Board. Any two (2) or more offices may be held by the same person, with the exception of the offices of President and Chief Executive Officer and Secretary.

Section 5.2 **Election and Term – Officers.** The officers of the Corporation shall be elected by the Board at the annual meeting and shall, unless otherwise determined by the Board serve for a term of one (1) year. Except with respect to the Chairperson, there is no limit on the number of terms an officer may serve. The Chairperson may not serve in that position for more than three (3) consecutive one (1) year terms; provided that the Board may waive such limitation in circumstances in which continuity in leadership would serve the best interests of the Corporation.

Section 5.3 **Resignation – Officers.** Any officer may resign at any time by giving written notice to the Board, the Chairperson, a Vice-Chairperson, the President and Chief Executive Officer, or the Secretary. The resignation of an officer shall take effect upon the receipt of written notice or at such time as specified in the written notice. Unless otherwise specified in the written notice, acceptance of the resignation shall not be necessary to make it effective.

Section 5.4 **Removal – Officers.** Any officer may be removed with or without cause by the Board. Any such removal will be without prejudice to the contract rights, if any, of the officer removed. Election or appointment as an officer will not of itself create contract rights.

Section 5.5 **Vacancy – Officers.** Subject to any term limit set forth in Section 5.2, any vacancy in an officer position shall be filled by the Board. An individual elected to fill a vacancy will serve for the unexpired term of his or her predecessor.

Section 5.6 **Authority and Duties – Officers.**

(a) The Chairperson shall preside at all meetings of the Board and shall have such other authorities and duties as are delegated from time to time by the Board.

(b) The President and Chief Executive Officer shall be the chief executive officer of the Corporation and, subject to the direction and judgment of the Board, shall have general supervision and control of all officers, agents, and employees of the Corporation and the management of its business interests, including the appointment of the senior management group of the Corporation.

(c) The Assistant Treasurer shall be the Chief Financial Officer of the Corporation and shall have such authorities and duties as are delegated from time to time by the Board.

(d) Each officer (other than the Chairperson, the President and Chief Executive Officer and the Assistant Treasurer) shall have the authority and shall perform the duties customarily appurtenant to their respective offices, and shall have such other authorities and duties as are delegated from time to time by the Board.

Article 6

Seal

Section 6.1 **Seal.** The corporate seal shall consist of a flat-faced circular die, with the name of the Corporation, the year and state of its incorporation and such additional material as may be prescribed from time to time by the Board, cut or engraved thereon.

Article 7

Fiscal Year; Annual Reports

Section 7.1 **Fiscal Year**. The fiscal year of the Corporation will be determined by the Board and in the absence of such determination will commence on October 1 and end on September 30 of each year.

Section 7.2 **Annual Reports**. Annually, at the close of the fiscal year, the Treasurer of the Corporation shall cause to be prepared a report showing the status of all operating revenues and expenses, and of all endowment funds, the income received therefrom during the preceding fiscal year, and the purposes for which said income was used. The annual report and the endowment report shall, at all times, be kept available for inspection by any person during ordinary business hours at the office of the President and Chief Executive Officer.

Article 8

Execution of Documents

Section 8.1 **Execution of Documents**. All checks, drafts, bills of exchange or other orders for the payment of money, obligations, notes, or other evidences of indebtedness, bills of lading, warehouse receipts, insurance certificates, contracts and other instruments of the Corporation, shall be signed or endorsed by such officer or officers, employee or employees, of the Corporation as shall from time to time be determined by resolution of the Board.

Article 9

Limitation of Liability

Section 9.1 **Limitation of Liability**. Pursuant to Section 7-6-9 of the Nonprofit Corporation Act, no individual serving without compensation as a Director, officer or committee member shall be personally liable to the Corporation or its members based solely on his or her conduct in the execution of the office or duties; provided, however that this Section 9.1 shall not eliminate the liability of a Director, officer or committee member to the extent such liability is imposed by applicable law for (a) malicious, willful or wanton misconduct; (b) breach of such Director's, officer's or committee member's duty of loyalty to the Corporation; and (c) any transaction from which there is an improper personal benefit. This Section 9.1 shall not

eliminate the liability of a Director, officer or committee member for any act or omission occurring prior to the date upon which this provision becomes effective. No amendment to or repeal of this Section 9.1 shall apply to or have any effect on the liability or alleged liability, or any acts or omissions, of any Director, officer or committee member occurring prior to such amendment or repeal.

Article 10

Indemnification

Section 10.1 **Agreement of the Corporation.** In order to induce the individual members (if any), Directors, officers and committee members of the Corporation to serve as such (each an “**Indemnified Person**”), the Corporation agrees, subject to the exclusions hereinafter set forth, to indemnify an Indemnified Person against, and hold the Indemnified Person harmless from, any Loss or Expense (each as defined in Section 10.2).

Section 10.2 **Definitions.** Capitalized terms used in this Article 10, shall have the meanings set forth below:

(a) “**Covered Act**” means any act or omission by an Indemnified Person in the Indemnified Person’s official capacity with the Corporation and while serving as such or while serving at the request of the Corporation as a member of the governing body, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise.

(b) “**Excluded Claim**” has the meaning set forth in Section 10.4.

(c) “**Expenses**” means any reasonable expenses incurred by an Indemnified Person in connection with the defense of any claim made against the Indemnified Person for Covered Acts including, without limitation, legal, accounting or investigative fees and expenses (including the expense of bonds necessary to pursue an appeal of an adverse judgment).

(d) “**Loss**” means any amount which an Indemnified Person is legally obligated to pay as a result of any claim made against such Indemnified Person for Covered Acts including, without limitation, judgments for, and awards of, damages, amounts paid in settlement of any claim, any fine or penalty or, with respect to an employee benefit plan, any excise tax or penalty.

(e) **“Proceeding”** means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

Section 10.3 **Advance Payment of Expenses.** The Corporation will pay the Expenses of an Indemnified Person in advance of the final disposition of any Proceeding except to the extent that the defense of a claim against such Indemnified Party is undertaken pursuant to any directors’ and officers’ liability insurance (or equivalent insurance or other protection known by another term) maintained by the Corporation. The advance payment of Expenses will be subject to such Indemnified Person’s first agreeing in writing with the Corporation to repay the sums paid by it hereunder if it is thereafter determined that the Proceeding involved an Excluded Claim or that such Indemnified Person was otherwise not entitled to indemnification under these Bylaws.

Section 10.4 **Exclusions.** The following shall be considered **“Excluded Claims”** and the Corporation will not be liable to pay any Loss or Expense related to any Excluded Claim:

(a) With respect to a Proceeding in which a final non-appealable judgment or other adjudication by a court of competent jurisdiction determines that the Indemnified Person is liable to the Corporation (as distinguished from being liable to a third party) for:

(i) any breach of the Indemnified Person’s duty of loyalty to the Corporation;

(ii) acts or omissions not in good faith or which involve any malicious, willful or wanton misconduct or knowing violation of law; or

(iii) any transaction from which the Indemnified Person derived an improper personal benefit; or

(b) If a final, non-appealable judgment or other adjudication by a court of competent jurisdiction determines that such payment is unlawful.

Section 10.5 **Notice to the Corporation; Insurance.** Promptly after receipt by an Indemnified Person of notice of the commencement of or the treat of commencement of any Proceeding, such Indemnified Person will, if indemnification with respect thereto may be sought from the Corporation under these Bylaws, notify the Corporation of the commencement thereof. If, at the time of the receipt of such notice, the Corporation has any directors’ and officers’

liability insurance (or equivalent insurance or other protection known by another term) in effect, the Corporation will give prompt notice of the commencement of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of such Indemnified Person. The Corporation will thereafter take all the necessary or desirable action to cause such insurer to pay, on behalf of such Indemnified Person, all Loss and Expenses payable as a result of such Proceeding in accordance with the terms of such policies. Failure to promptly notify the Corporation will not adversely affect the Indemnified Person's right to indemnification hereunder unless and only to the extent that (a) the Corporation is materially prejudiced in its ability to defend against the Proceeding by reason of such failure; or (b) failure to promptly notify the Corporation causes a delay in notifying any applicable insurer (as described in this Section 10.5) resulting in a denial of coverage.

Section 10.6 **Indemnification.**

(a) Payments on account of the Corporation's indemnity against Loss will be made by the Treasurer of the Corporation except if, in the specific case, a determination is made that the indemnification of the Indemnified Person is not proper in the circumstances because such Loss results from an Excluded Claim. If the Corporation so determines that the Loss results from an Excluded Claim (although no such determination is required by the Corporation prior to payment of a Loss by the Treasurer of the Corporation), the determination shall be made:

(i) by the Board by a majority vote of a quorum consisting of Directors not at the time parties to the Proceeding; or

(ii) if a quorum cannot be obtained for purposes of Section 10.6(a)(i), then by a majority vote of a committee of the Board duly designated to act in the matter by a majority vote of the full Board (in which designated Directors who are parties to the Proceeding may participate) consisting solely of three (3) or more Directors not at the time parties to the Proceeding; or

(iii) by independent legal counsel designated (A) by the Board in a manner described in Section 10.6(a)(i) or by a committee of the Board established in a manner described in Section 10.6(a)(ii), or (B) if the requisite quorum of the full Board cannot be obtained therefor and a committee cannot be so established, by a majority vote of the full Board (in which vote Directors who are parties to the Proceeding may participate). If made, any such

determination permitted to be made by this Section 10.6(a) will be made within sixty (60) days of an Indemnified Person's written request for payment of a Loss.

(b) Payment of an Indemnified Person's Expenses in advance of the final disposition of any Proceeding will be made by the Treasurer of the Corporation except if, in the specific case, a determination is made pursuant to Section 10.6(a) that indemnification of such Indemnified Person is not proper in the circumstances because the Proceeding involved an Excluded Claim.

(c) The Corporation will have the power to purchase and maintain insurance on behalf of any Indemnified Person against liability asserted against him or her with respect to any Covered Act, whether or not the Corporation would have the power to indemnify such Indemnified Person against such liability under the provisions of these Bylaws. The Corporation will be subrogated to the rights of such Indemnified Person to the extent that the Corporation has made any payments to such Indemnified Person in request to any insured Loss or Expense as provided herein.

Section 10.7 **Settlement**. The Corporation will have no obligation to indemnify any Indemnified Person for any amounts paid in settlement of any Proceeding affected without the Corporation's prior written consent. The Corporation will not unreasonably withhold or delay its consent to any proposed settlement. If the Corporation so consents to the settlement of any Proceeding, or unreasonably withholds or delays such consent, it will be conclusively and irrefutably presumed for all purposes that the Loss or Expense does not constitute an Excluded Claim. If the Corporation reasonably withholds its consent solely on the grounds that the Proceeding constitutes an Excluded Claim, the Indemnified Person may accept the settlement without the consent of the Corporation, without prejudice to such Indemnified Person's rights to indemnification in the event the Corporation does not ultimately prevail on the issue of whether the Proceeding constitutes an Excluded Claim.

Section 10.8 **Rights Not Exclusive**. The rights provided in this Article 10 will not be deemed exclusive of any other rights to which an Indemnified Person may be entitled under any agreement, vote of disinterested Directors or otherwise, both as to action in the Indemnified Person's official capacity and as to action in any other capacity while serving in such position,

and will continue after such Indemnified Person ceases to serve the Corporation as an Indemnified Person.

Section 10.9 **Enforcement.**

(a) An Indemnified Person's right to indemnification hereunder will be enforceable by such Indemnified Person in any court of competent jurisdiction and will be enforceable, notwithstanding that an adverse determination has been made as provided in Section 10.6.

(b) In the event that any action is institute by an Indemnified Person under these Bylaws, such Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by such Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by such Indemnified Person as a basis for such action was not made in good faith or was frivolous.

Section 10.10 **Severability.** If any provision in this Article 10 is determined by a court to require the Corporation to perform or fail to perform an act which is in violation of any applicable law, this Article 10 shall be limited or modified in its applicable to the minimum extent necessary to avoid a violation of law, and, as so limited and modified, this Article 10 shall be enforceable in accordance with its terms.

Section 10.11 **Successors and Assigns.** The provisions of this Article 10 will be (a) binding upon all successors and assigns of the Corporation (including any transferee of all or substantially all of its assets); and (b) binding on and inure to the benefit of the heirs, executors, administrators and other personal representatives of an Indemnified Person.

Section 10.12 **Amendment of this Article 10** No amendment or termination of this Article 10 will be effective as to an Indemnified Person without prior written consent of that Indemnified Person and, in any event, will not be effective as to any Covered Act of an Indemnified Person occurring prior to the amendment or termination.

Article 11

Amendments

Section 11.1 **Amendments**. These Bylaws may be amended or amended and restated by written consent or approval by the Board in accordance with Section 3.13 or Section 3.15, as applicable.

Adopted on June 28, 2012



State of Rhode Island and Providence Plantations

OFFICE OF THE SECRETARY OF STATE
100 NORTH MAIN STREET
PROVIDENCE, RHODE ISLAND 02903-1335

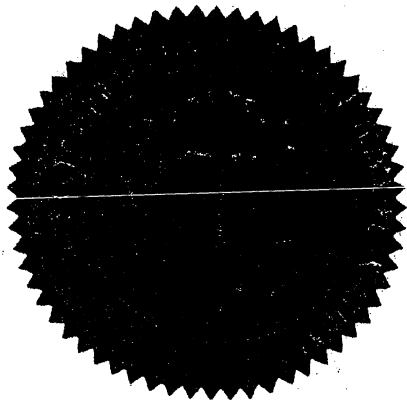
CERTIFICATE OF INCORPORATION
OF

Southeastern Healthcare System, Inc.

The undersigned, as Secretary of State of the State of Rhode Island, hereby certifies that duplicate originals of Articles of Incorporation for the incorporation of Southeastern Healthcare System, Inc. duly signed pursuant to the provisions of Chapter 7-6 of the General Laws, 1956, as amended, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation of Southeastern Healthcare System, Inc. and attaches hereto a duplicate original of the Articles of Incorporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the State of Rhode Island this sixteenth day of September A.D., 19 96



James R. Langerin
Secretary of State

By Gene Bertelme
Acting Deputy Secretary of State

Filing Fee \$35.00



State of Rhode Island and Providence Plantations

OFFICE OF THE SECRETARY OF STATE
100 NORTH MAIN STREET
PROVIDENCE, RHODE ISLAND 02903-1335

NON-PROFIT CORPORATION

DUPLICATE

ORIGINAL ARTICLES OF INCORPORATION

The undersigned, acting as incorporator(s) of a corporation under Chapter 7-6-34 of the General Laws, 1956, as amended, adopt(s) the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation is

.....Southeastern Healthcare System, Inc.....

SECOND: The period of its duration (if perpetual, so state)perpetual.....

THIRD: The specific purpose or purposes for which the corporation is organized are:

See EXHIBIT A attached hereto.

FOURTH: Provisions (if any) for the regulation of the internal affairs of the corporation, including provisions for the distribution of assets on dissolution or final liquidation, are:

(Note 1)

See EXHIBIT B attached hereto.

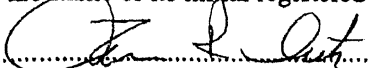
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SECRETARY OF STATE
PROVIDENCE, RHODE ISLAND

PAID
SEP 16 1996
SECY OF STATE
CC# 63
168071

FIFTH: The address of the initial registered office of the corporation is (Provide street address - Not P.O. Box)

111 Brewster Street, Pawtucket, Rhode Island 02860 (add Zip Code),

and the name of its initial registered agent at such address is: Francis R. Dietz


Signature

SIXTH: The number of directors constituting the initial Board of Directors of the corporation is 20, and the names and addresses of the persons who are to serve as the initial directors are:

Name Address

See EXHIBIT C attached hereto.

SEVENTH: The name and address of each incorporator is:

Name Address

Francis R. Dietz 111 Brewster Street, Pawtucket, Rhode Island 02860

EIGHTH: Date when corporate existence to begin (not more than 30 days after filing of these articles of incorporation): Immediately upon filing

Dated 9/16, 1996



All Incorporators must sign

Incorporator(s)

NOTE:

- 1. If no provision for the regulation of the internal affairs of the corporation or for the distribution of assets on dissolution or final liquidation are to be set forth, insert "None." In an appropriate case provisions relating to members, their qualifications and rights (Section 7-6-15) may be inserted here.

EXHIBIT A

THIRD: Purpose or purposes which the corporation is authorized to pursue are:

To develop, operate, and maintain an integrated health care system for the delivery of medical and surgical treatment and related health services;

To promote medical research and make contributions to scientific medicine;

To engage in research and the teaching, instruction and education of medical students and other health care professionals;

To provide primary and family care medical facilities on a regional basis;

To work cooperatively with other hospitals, community health agencies, educational institutions and other public and private entities to promote standards of health in the community service by the corporation;

To operate for the benefit of and to support the operations of The Memorial Hospital and its affiliated corporations and entities and such other charitable scientific or educational corporations as may be affiliated with this corporation, directly or indirectly from time to time, and to carry on such other lawful activities for which a corporation may be formed under Title 7, Chapter 6 of the Rhode Island General Laws (1956) as amended ("The Rhode Island Non-Profit Corporation Act") as the same may be amended from time to time.

EXHIBIT B

FOURTH: Provisions for the regulations of the internal affairs of the corporation, including provisions for the distribution of the assets on dissolution or final liquidation are:

1. The corporation is not organized for profit, and no part of the net earnings of the corporation shall inure to the benefit of, or be distributable to any member, trustee or officer (except that reasonable compensation may be paid for services rendered to or for the corporation). In the event of the liquidation of the corporation, whether voluntary or involuntary, no member, trustee, or officer shall be entitled to any distribution or division of the corporation's property or the proceeds thereof, and upon such liquidation, the balance of all money, assets and other property of the corporation, after the payment of all its debts and obligations, shall, pursuant to a resolution of the corporation or an order of a court of competent jurisdiction in the State of Rhode Island, be used by, or distributed to The Memorial Hospital and/or any other entity affiliated with The Memorial Hospital which is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or if The Memorial Hospital is then not in existence or is not exempt from federal income tax under such provision, and no such other entity exists which is exempt from federal income tax purposes, then to an organization or organizations which would then qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder, and which will use such property to accomplish one or more exempt purposes within the purview of Section 501(c)(3) of the Code.

Notwithstanding any other provision of these Articles of Incorporation, the corporation shall not carry on any activity not permitted to be carried on:

- (a) By a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or corresponding provisions of any subsequent federal tax law; or
- (b) By a corporation, contributions to which are deductible under Section 170(c)(2), the Code, or corresponding provisions of any subsequent federal tax laws.

2. No director or officer of the corporation shall have personal liability to the corporation or to its members for monetary damages for breach of such director's or officer's duty as a director or officer, provided that this provision shall not eliminate or limit the liability of such director or officer: (i) for any breach of such director's or officer's duty of loyalty to the corporation and its members; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) for any transaction from which the director or officer derived an improper personal benefit.

194084_1

Exhibit C

<u>Name</u>	<u>Address</u>
Edward W. Barlow	Seekonk Lace Co. 659 Armistice Boulevard Pawtucket, RI 02860
Allan R. Bellows	Bellows & Son, Inc. P.O. Box 414 Lincoln, RI 02865
Arthur J. DeBlois, Jr.	DB Companies, Inc. P.O. Box 9471 Providence, RI 02904
Francis R. Dietz	Memorial Hospital of Rhode Island 111 Brewster Street Pawtucket, RI 02861
A. Austin Ferland	Ferland Corp. Monticello Road Pawtucket, RI 02861
Raymond A. Ferland, Ph.D.	51 Shannock Road So. Kingston, RI 02879
Gary E. Furtado	15 Beth Avenue Warren, RI 02885
William F. Harty, Jr.	HOD Corp. 176 Greenwood Avenue Rumford, RI 02916
William J. Hunt	Shove Insurance Inc. 100 East Avenue Pawtucket, RI 02860
Paul Keating	Smith Barney Co., Inc. 50 Kennedy Plaza Providence, RI 02903
E. Swift Lawrence	200 Atlantic Avenue Westport, MA 02790

Name

Address

Richard Misch

S. M. White & Son, Inc.
Conduit Street
Lincoln, RI 02865

John J. Partridge

180 South Main Street
Providence, RI 02903

Edna Poulin

Director of Labor
810 Manton Avenue
Providence, RI 02916

Virginia Roberts

50 Agawam Park Road
Rumford, RI 02916

Michael A. Tamburro

President
Pawtucket Red Sox
McCoy Stadium
P.O. Box 2365
Pawtucket, RI 02861

Kenneth W. Washburn

Union Wadding Co.
25 Goff Avenue
Pawtucket, RI 02860

Raymond Wynne

Manning Heffern Funeral Home
68 Broadway
Pawtucket, RI 02860

Filing Fee \$10.00



State of Rhode Island and Providence Plantations

OFFICE OF THE SECRETARY OF STATE

100 North Main Street
Providence, Rhode Island
02903-1335

NON-PROFIT CORPORATION

PLEASE TAKE NOTICE
that the corporation must be in good standing prior to filing

**DUPLICATE ORIGINAL OF
ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF**

SOUTHEASTERN HEALTHCARE SYSTEM, INC.

Pursuant to the provisions of Section 7-6-40 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is **SOUTHEASTERN HEALTHCARE SYSTEM, INC.**

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation: Article THIRD of the Articles of Incorporation of the Corporation is amended in its entirety to read as follows: **(Insert Amendment)**

THIRD: Purpose or purposes which the corporation is authorized to pursue are:

To operate for the benefit of and to support the operations of The Memorial Hospital, a hospital licensed in the State of Rhode Island, its affiliated publicly supported organizations and such other publicly supported organizations as may be affiliated with this Corporation or The Memorial Hospital, directly or indirectly, from time to time, and which are organized for the purpose of supporting The Memorial Hospital or for any of the purposes set forth herein which the Corporation is authorized to pursue, and to carry on such other lawful activities for which a corporation may be formed under Title 7, Chapter 6 of the Rhode Island General Laws (1956) as amended ("The Rhode Island Non-Profit Corporation Act") as the same may be amended from time to time; and in connection therewith to carry on the following functions:

- (i) To develop, operate, and maintain an integrated health care system for the delivery of medical and surgical treatment and related health services;
- (ii) To promote medical research and make contributions to scientific medicine;
- (iii) To engage in research and the teaching, instruction and education of medical students and other health care professionals;
- (iv) To provide primary and family care medical facilities on a regional basis;
- (v) To work cooperatively with other hospitals, community health agencies, educational institutions and other public and private entities to promote standards of health in the community service by the corporation; and
- (vi) To engage in fundraising activities, and unrelated trade or business, to raise funds for The Memorial Hospital and any other publicly supported organization affiliated with the corporation or The Memorial Hospital, directly or indirectly, from time to time which is organized for the purpose of supporting The Memorial Hospital or for any of the above-referenced purposes which the Corporation is authorized to pursue.

THIRD: The amendment was adopted in the following manner:

(Note 1)

The amendment was adopted by a Consent in writing signed under date of March 26, 1997 by all incorporators entitled to vote with respect thereto.

Dated March 26, 19 97

SOUTHEASTERN HEALTHCARE SYSTEM, INC. (Note 2)

By Francis R. Dietz (Note 3)

Sole Incorporator
President or Vice-President

and (Note 3)

Secretary or Assistant Secretary

FILED

MAR 27 1997

By [Signature] 182685

NOTES:

- 1. Insert whichever of the following statements is applicable:
(a) "The amendment was adopted at a meeting of members held on ... at which a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast."
(b) "The amendment was adopted by a consent in writing signed under date of by all members entitled to vote in respect thereto."
(c) "The amendment was adopted at a meeting of the Board of Directors held on ... and received the vote of a majority of the Directors in office, there being no members entitled to vote in respect thereof."
2. Exact corporate name of corporation adopting the Amendment.
3. Signatures and titles of officers signing for the corporation.

RECEIVED SECRETARY OF STATE CORPORATIONS DIV. MAR 27 11 49 AM '97

BYLAWS
FOR
SOUTHEASTERN HEALTHCARE SYSTEM, INC.

Article I

OFFICES

Section 1.01. The name of the corporation shall be Southeastern Healthcare System, Inc. (the "Corporation").

Section 1.02. The Corporation is organized exclusively for the purposes stated in its articles of incorporation.

Section 1.03. Principal Office. The principal office of the Corporation shall be located at 111 Brewster Street, Pawtucket, Rhode Island, 02860. The Corporation may have such other offices or places of business, within the State of Rhode Island, as the Board of Directors may from time to time establish or the business of the Corporation may require.

Section 1.04. Registered Office and Registered Agent. The registered office of the Corporation need not be identical with the principal office of the Corporation and shall initially be located in Providence, Rhode Island. The registered agent and registered office may be changed from time to time by the Board of Directors in accordance with the provisions of the Rhode Island Non-Profit Corporation Act, as amended (the "Act").

Article II

Section 2.01. Members. The Corporation shall not have members.

Article III

BOARD OF DIRECTORS

Section 3.01. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors. Without limitation as to the foregoing, the Board of Directors shall prepare and establish policies for the delivery of quality health services, research and education by the Corporation and its affiliates and subsidiaries, including but not limited to The Memorial Hospital (the "Affiliated Hospitals and Medical Service Providers"); develop a medical health care delivery system with entities owned or controlled by the Corporation and the Affiliated Hospitals and Medical Service Providers; contract with third party providers, managed care providers and insurers for and on behalf of itself and its Affiliated Hospital and Medical Service Providers; affiliate with the Brown University School of Medicine in the field of family care medicine, primary care medicine and other medical disciplines and specialties for the education of medical students and for medically related research and development; develop and implement compensation and retirement plans for the officers and employees of the Corporation or its Affiliated Hospitals and Medical Service Providers; provide for the future of the

Corporation and the Affiliated Hospitals and Medical Service Providers by developing an endowment fund and to receive from the Affiliated Hospitals and Medical Service Providers funds to establish such endowment; and to generally provide leadership and coordination in the delivery of health services to the communities which the Corporation, its Affiliated Hospitals and Medical Service Providers serve in an integrated manner consistent with applicable law.

Section 3.02. Number, Tenure and Qualifications. The directors shall be the then existing Trustees of The Memorial Hospital. The directors shall serve a term of one (1) year which expires at the annual meeting. The directors shall be nominated from a list or lists of nominees received from the Nominating Committee, and each director elected shall serve until the expiration of such director's term or until such director's successor shall have been elected and qualified or until such director's death or resignation or removal in the manner provided herein. The number of directors of the Corporation may from time to time be changed by resolution of the directors. The Chairman of the Board of Trustees and the President of The Memorial Hospital shall be members of the Board of Directors of the Corporation.

Section 3.03. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the Board of Directors for a term of office continuing only until the next election of directors.

Section 3.04. Removal. The directors may, at any meeting called for the purpose, remove any director with or without cause by vote of a majority of the directors.

Section 3.05. Resignations. Any director may resign at any time by giving written notice to the Board of Directors or to the Chairman. The resignation shall take effect at the time specified in the notice, and, unless otherwise specified in such notice, acceptance of the resignation shall not be necessary to make it effective.

Section 3.06. Annual Meetings. The annual meeting of the Board of Directors shall be held within the State of Rhode Island at a place determined by the Board of Directors, on the last Wednesday in the month of November in each year for the purpose of electing directors and officers and for the transaction of such other business as may come before the meeting without notice other than by this Section 3.06. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings without notice other than such resolution.

Section 3.07. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any one director. The person or persons authorized to call special meetings of the Board of Directors may fix the manner and the place for holding any special meeting of the Board of Directors called by them.

Section 3.08. Joint Meetings. Except for the annual meeting, all meetings of the Board of Directors of the Corporation or any committee thereof are deemed to be joint meetings

of the Corporation or such committee and the Board of Trustees of The Memorial Hospital or its comparable committee, unless otherwise specified in the notice.

Section 3.09. Notice. Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally or mailed to each director at the director's business address (or, if no business address, then at the director's residence), by facsimile or by electronic transmission. If mailed, such notice shall be deemed delivered when deposited in the United States mail, so addressed, with postage prepaid thereon. If notice is given personally, by facsimile or by electronic transmission, notice shall be deemed delivered when received by a director.

Section 3.10. Quorum. A majority of the number of directors of the Corporation from time to time shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such a majority is present at a meeting, a majority of the directors then present may adjourn the meeting from time to time without further notice. A majority of the members of any committee from time to time shall constitute a quorum for the transaction of business at any meeting of such committee, but if less than such a majority is present at a meeting, a majority of the members then present may adjourn the meeting from time to time without further notice.

Section 3.11. Manner of Acting. The act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Act or by the articles of incorporation. Meetings of directors may be held by means of a telephone conference circuit, and connection to such circuit shall constitute presence at such meeting.

Section 3.12. Presence Through Communications Equipment. Unless otherwise provided by law, directors may participate in a meeting of the Board of Directors or any committee by means of a conference telephone or similar communications equipment, including video conference, by means of which all persons participating in the meeting can communicate with each other at the same time and participation by such means shall constitute presence in person at the meeting.

Section 3.13. Action by Written Consent. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent or consents in writing, setting forth the action so to be taken, shall be signed before or after such action by all of the directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.14. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be deemed to have assented to such action unless his or her dissent shall be entered in the minutes of the meeting or unless the director shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 3.15. Compensation. The Board of Directors shall not receive any compensation for attendance at meetings. This section shall not preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.16. Executive Committee. There shall be an Executive Committee which shall consist of the Chairman, the Vice-Chairman, the President, the Treasurer, the Secretary and not less than five (5) other Directors of the Corporation. The Executive Committee shall meet monthly and shall exercise all the powers and authority of the Board of Directors when the Board of Directors is not meeting. A quorum for the meetings of the Executive Committee shall be at least five (5) members of the committee.

Section 3.17. Nominating Committee. There shall be a Nominating Committee composed of the members of the Governance Committee and not less than two (2) nor more than four (4) members of the Board of Directors chosen by the Chairman. Said committee shall be formed annually to the date of the annual meeting of the Board of Directors and shall take all actions deemed necessary or desirable to cause the nomination of eligible individuals to the office of director and to the offices of the Corporation and elected offices of The Memorial Hospital.

Section 3.18. Audit Committee. There shall be an Audit Committee which shall make recommendations on the appointment of independent auditors for the Corporation and its Affiliated Hospitals and Medical Service Providers, shall review the scope and cost for the annual audit, shall review the result of such audit, and shall monitor the response of management as to such audit and the implementation of internal audit procedures. The Audit Committee shall be a joint committee of the Corporation and The Memorial Hospital.

Section 3.19. Corporate Governance Committee. The Corporate Governance Committee shall develop, recommend and annually review corporate governance guidelines of the Corporation and oversee corporate governance matters, shall coordinate an annual review of the Board's performance in corporate governance, supervise adherence to the Corporation's conflict of interest policy, and review from time to time the Bylaws of the Corporation, conflict of interest questionnaires and policies, requests for waivers of such policies, and review the effectiveness of the Corporation's conflict of interest policy. The Corporate Governance Committee shall be a joint committee of the Corporation and The Memorial Hospital.

Section 3.20. Other Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from its members other committees including committees referred to as a joint committee in the Bylaws of The Memorial Hospital, which, to the extent provided in such resolution, shall have and may exercise any or all of the authority of the Board of Directors, provided that no such committee shall have the authority of the Board of Directors in reference to amending the articles of incorporation, adopting a plan of merger or consolidation, recommending the sale, lease, exchange or other disposition of all or substantially all the property and assets of the Corporation otherwise than in the regular course of its business, recommending a voluntary dissolution of the Corporation or a revocation thereof, or amending the Bylaws of the Corporation. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member

thereof, of any responsibility imposed by law. The Chairman and President shall be ex officio members of each committee except the Nominating Committee.

Article IV

OFFICERS

Section 4.01. Number. The officers of the Corporation shall be a Chairman, not less than one (1) Vice-Chairman, a President, a Secretary, a Treasurer and such other officers and agents as may be deemed necessary by the Board of Directors. Any two or more offices may be held by the same person, except the offices of the President and Secretary. No officer need be a director of the Corporation. The Chairman and the President of the Corporation shall be the Chairman of the Board of Trustees and the President of The Memorial Hospital, respectively.

Section 4.02. Election and Term of Office. The officers of the Corporation specifically designated in Section 4.01 of this Article IV shall be elected annually by the Board of Directors at its annual meeting upon nominations from the Nominating Committee. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until such officer's death, resignation or removal in the manner hereinafter provided.

Section 4.03. Other Officers. The Board of Directors may elect or appoint such other officers and agents, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem necessary, each of whom shall hold office for such period and shall exercise such powers and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any officer the power to appoint any such officers and agents and to prescribe their respective powers, duties and salaries.

Section 4.04. Removal. Any officer or agent may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby. Nothing herein, however, shall affect any contractual rights of any officer or agent so removed.

Section 4.05. Resignations. Any officer or agent may resign at any time by giving written notice to the Board of Directors or to the President or Secretary. The resignation shall take effect at the time specified in the notice and, unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 4.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled in the manner prescribed in these Bylaws for election or appointment to such office. In the case of a vacancy in any of the offices specifically designated in Section 4.01 of this Article IV, such vacancy shall be filled for the unexpired portion of the term of such office.

Section 4.07. Chairman. The Chairman shall preside at all meetings of the Board of Directors. No person shall be elected Chairman for more than three (3) successive one (1) year terms. In the absence of the President or in the event of the President's death, inability or

refusal to act, the Chairman shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Chairman shall have such other powers and perform such other duties on the Board of Directors may prescribe from time to time.

Section 4.08. Vice-Chairman. In the absence of the Chairman, the Vice-Chairman shall have the powers and duties of the Chairman and such other powers and duties as the Board of Directors may prescribe from time to time.

Section 4.09. President. The President shall be the principal executive officer of the Corporation and, subject to the direction and under the supervision of the Board of Directors, shall have general charge of the business, affairs and property of the Corporation, and control over its officers, agents and employees. The President shall execute, on behalf of the Corporation, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. The President shall do and perform all duties incident to the office of President and such other duties as may be assigned to the President by these Bylaws or by the Board of Directors. The President shall execute written consents of the Corporation as the sole member of the Affiliated Hospitals and Medical Service Providers in lieu of taking actions required or desirable at annual, regular or special meetings of such entities as the President may deem necessary or desirable, subject to the direction of the Board of Directors of the Corporation.

Section 4.10. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

Section 4.11. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws; and (c) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the directors shall determine.

Section 4.12. Salaries. Except as provided in Section 4.03 of this Article IV, the salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that such officer is also a director of the Corporation.

Article V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 5.01. Contracts. The Board of Directors may authorize any officer or officers, or any agent or agents, to enter into contracts and agreements in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 5.02. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a general or specific resolution of the Board of Directors.

Section 5.03. Checks, Drafts or Other Similar Orders. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, or such agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 5.04. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Article VI

INDEMNIFICATION

Section 6.01. Each person who was, is, or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is, or was, a director or an officer of the Corporation, or who, while a director or an officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic corporation, joint venture, trust, other enterprise or employee benefit plan, shall be indemnified against judgments, penalties, fines, settlements and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with any such action, suit or proceeding to the full extent permitted under the Act. The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those persons seeking indemnification may be entitled under any bylaw, agreement, or otherwise, and shall continue as to any person who has ceased to be a director or an officer and shall inure to the benefit of the heirs, executors and administrators of such person. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power or obligation to indemnify such person against such liability under the provisions of this Article VI or under the Act.

Article VII

GENERAL PROVISIONS

Section 7.01. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September each year.

Section 7.02. Corporate Seal. The Corporation shall have a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the state of incorporation and the year of incorporation.

Section 7.03. Waiver of Notice. Whenever any notice is required to be given to any person under the provisions of these Bylaws or under the provisions of the articles of incorporation or under the provisions of the Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in any written waiver of notice of such meeting.

Article VIII

CONFLICT OF INTEREST

Section 8.01. Statement of General Policy on Conflict of Interest. No transaction involving remuneration or benefit to a director or officer, or to an organization in which such director or officer has a material financial interest or of which the director or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Corporation without (a) full disclosure to the Board of Directors or the members entitled to vote by the interested director or officer of the material facts of the transaction and the director or officer's interest or relationship; (b) the authorization, approval or ratification of the affirmative vote of a majority of disinterested directors or the members entitled to vote; and (c) a determination by the Board of Directors that the transaction is fair to the Corporation at the time it is authorized, approved or ratified. No director so involved may vote on such authorization, approval or ratification by the Board of Directors.

Section 8.02. Adoption of Policy. The Board of Directors shall from time to time, adopt a policy for the directors or officers and such other personnel as they shall deem appropriate, providing for the periodic disclosure to the Corporation of any and all interests which may give rise to a possible conflict of interest, either pecuniary or otherwise.

Article IX

AMENDMENTS

Section 9.01. Except as provided herein, these Bylaws may be altered, amended or repealed and new bylaws may be adopted by majority vote of the Board of Directors at any annual or special meeting of the Board of Directors called for such purpose.

194303_6



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State

Matthew A. Brown
Secretary of State

Date: May 11, 2006

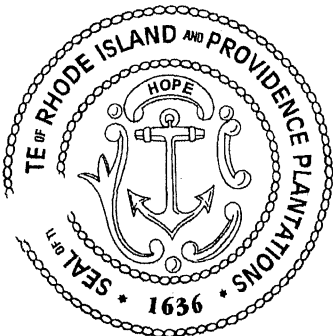
The Memorial Hospital
(30 Pages)

A TRUE COPY WITNESSED UNDER THE SEAL OF THE STATE OF
RHODE ISLAND AND PROVIDENCE PLANTATIONS

Matthew Brown

Secretary of State

By *Andrea M. Francese*



Filing Fee: \$20.00

ID Number 28357



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
100 North Main Street
Providence, Rhode Island 02903-1335

NON-PROFIT CORPORATION

FICTITIOUS BUSINESS NAME STATEMENT
(To Be Filed In Duplicate)

Pursuant to the provisions of Section 7-6-11 of the General Laws, 1956, as amended, the undersigned non-profit corporation hereby submits the following statement for authority to transact its affairs in the State of Rhode Island under a fictitious business name:

- 1. The name of the non-profit corporation is The Memorial Hospital
- 2. The fictitious business name to be used is Memorial Hospital of Rhode Island
- 3. The state or other jurisdiction under the laws of which it is incorporated is Rhode Island
- 4. The date of incorporation is May 25, 1901

Under penalty of perjury, I declare that the information contained herein is true and correct.

Date: _____

The Memorial Hospital
Print Name of Applicant Non-Profit Corporation

By [Signature]
Signature of Authorized Person

President
Title

FILED

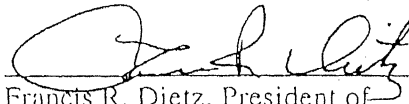
DEC 10 2003

By C13820

REC'D
CORPORATIONS DIVISION
DEC 10 2003
PROVIDENCE, RI

AUTHORIZATION

I, Francis R. Dietz, President of Memorial Hospital of Rhode Island Physicians, Inc., hereby authorize The Memorial Hospital to utilize the name of Memorial Hospital of Rhode Island.



12/1/03

Francis R. Dietz, President of
Memorial Hospital of Rhode Island Physicians, Inc.

Filing Fee \$10.00

28357

State of Rhode Island and Providence Plantations
NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

.....The Memorial Hospital.....

Pursuant to the provisions of Section 7-6-40 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is.....The Memorial Hospital.....

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:
(Insert Amendment)

Article Sixth of the Articles of Incorporation of the corporation is amended in its entirety to read as follows:

SIXTH: There shall be a single member of the corporation, which member shall elect the Board of Trustees. Said Board of Trustees shall consist of not less than ten (10) nor more than forty (40) Trustees, which number shall be designated by the single member from time to time.

16 APR 11 11 00 AM
RECEIVED
SECRETARY

FILED

APR 17 1970

BY *[Signature]*
184370

THIRD: The amendment was adopted in the following manner:

(Note 1)

- (a) The amendment was adopted at a meeting of members held on December 5, 1995, at which a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast.

Dated July 31, 1996

The Memorial Hospital (Note 2)

By Francis R. Dietz (Note 3)

Its President

and Edna S. Poylin (Note 3)

Its Secretary

NOTES:

1. Insert whichever of the following statements is applicable:
 - (a) "The amendment was adopted at a meeting of members held on , at which a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast."
 - (b) "The amendment was adopted by a consent in writing signed under date of by all members entitled to vote in respect thereto."
 - (c) "The amendment was adopted at a meeting of the Board of Directors held on , and received the vote of a majority of the Directors in office, there being no members entitled to vote in respect thereof."
2. Exact corporate name of corporation adopting the Amendment.
3. Signatures and titles of officers signing for the corporation.

Filing Fee \$10.00

State of Rhode Island and Providence Plantations

NON-PROFIT CORPORATION

2.8351

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

.....The Memorial Hospital.....

Pursuant to the provisions of Section 7-6-40 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is.....The Memorial Hospital.....

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

Article THIRD of the Articles of Incorporation of the corporation is amended in its entirety to read as follows:

THIRD: The purpose or purposes for which the corporation is organized are:

See EXHIBIT A attached hereto

Article FOURTH of the Articles of Incorporation of the corporation is amended in its entirety to read as follows:

FOURTH: Provisions (if any) for the regulation of the internal affairs of the corporation, including provisions for the distribution of assets on dissolution or final liquidation are:

See EXHIBIT B attached hereto

RECEIVED

FILED

DEC 9 1993

By ADITHYAN
11832

THIRD: The amendment was adopted in the following manner:

(Note 1)

The amendments were approved by resolution of the trustees on the 24th day of November, 1993 and the amendment was adopted at a meeting of members held on December 7, 1993, at which a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast.

Dated December 9, 19 93

The Memorial Hospital (Note 2)

By Francis R. Dietz (Note 3)

Its President

and John J. Partridge (Note 3)

Its Secretary

NOTES:

1. Insert whichever of the following statements is applicable:

- (a) "The amendment was adopted at a meeting of members held on , at which a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast."
- (b) "The amendment was adopted by a consent in writing signed under date of by all members entitled to vote in respect thereto."
- (c) "The amendment was adopted at a meeting of the Board of Directors held on , and received the vote of a majority of the Directors in office, there being no members entitled to vote in respect thereof."

2. Exact corporate name of corporation adopting the Amendment.

3. Signatures and titles of officers signing for the corporation.

EXHIBIT A

THIRD: The purpose or purposes for which the corporation is organized are as follows: to erect, establish and maintain a Hospital for the medical and surgical treatment of the sick and those who may be suffering from accidents or injuries; to be staffed, equipped and ready to serve the hospital needs of all people so far as its resources permit; to provide quality educational programs for doctors, nurses and other health personnel; to develop and maintain programs and facilities for the promotion of human health in such location or locations as shall be determined by the Board of Trustees from time to time; to promote medical research and make contributions to scientific medicine; to work cooperatively with other hospitals, community health agencies, educational institutions, and other public and private entities to improve standards of health in the communities served by the Hospital; to conduct its services in modern facilities and with appropriate equipment; to sponsor housing and related facilities and health services for elderly persons and others in need of health services; and for any other lawful purposes for which a corporation may be formed under Title 7, Chapter 6 of the Rhode Island General Laws (1956), as amended which relate to the foregoing.

In addition to the foregoing, said corporation shall have the following powers and authority:

To do any lawful act which is necessary or proper to accomplish the purposes of its incorporation. Without limiting or enlarging the effect of this general grant of authority, it is hereby specifically provided that the corporation shall have power:

- (1) To have perpetual succession by its corporate name.
- (2) To sue and be sued, complain and defend, in its corporate name.
- (3) To have a corporate seal which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.
- (4) To purchase, take, receive, lease, take by gift, device, or bequest, or otherwise acquire, own, hold, improve, use, and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and without restriction as to amount.

(5) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.

(6) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, whether for profit or not for profit, associations, partnerships, or individuals, or direct or indirect obligations of the United States, or of any other government, state, territory, governmental district or municipality, or of any instrumentality thereof.

(7) To make contracts and guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, guarantee debts and secure any of its obligations by mortgage or pledge of all or any of its property, franchises, and income.

(8) To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.

(9) To conduct its affairs, carry on its operations, have offices, and exercise the powers granted by this chapter within or without this state.

(10) To elect or appoint officers and agents of the corporation, who may be trustees or members, and define their duties and fix their compensation.

(11) To make and alter bylaws, not inconsistent with its articles of incorporation or with the laws of this state, for the administration and regulation of the affairs of the corporation.

(12) To make donations for the public welfare or for charitable, scientific, or educational purposes.

(13) To provide employment benefits including pension plans or pension trusts for any or all of its trustees, officers, and employees.

(14) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is organized.

EXHIBIT B

FOURTH: Provisions for the regulations of the internal affairs of the corporation, including provisions for the distribution of the assets on dissolution or final liquidation are:

1. The corporation is not organized for profit, and no part of the net earnings of the corporation shall inure to the benefit of, or be distributable to any member, trustee or officer (except that reasonable compensation may be paid for services rendered to or for the corporation). In the event of the liquidation of the corporation, whether voluntary or involuntary, no member, trustee, or officer shall be entitled to any distribution or division of the corporation's property or the proceeds thereof, and upon such liquidation, the balance of all money, assets and other property of the corporation, after the payment of all its debts and obligations, shall, pursuant to a resolution of the corporation or an order of a court of competent jurisdiction in the State of Rhode Island, be used by, or distributed to, an organization or organizations which would then qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder, and which will use such property to accomplish one or more exempt purposes within the purview of Section 501(c)(3) of the Code.

Notwithstanding any other provision of these Articles of Incorporation, the corporation shall not carry on any activity not permitted to be carried on:

- (a) By a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or corresponding provisions of any subsequent federal tax law; or
- (b) By a corporation, contributions to which are deductible under Section 170(c)(2), Section 2055(a)(2), or Section 2522(a)(2) of the Code, or corresponding provisions of any subsequent federal tax laws.

2. No trustee or officer of the corporation shall have personal liability to the corporation or to its members for monetary damages for breach of such trustee's or officer's duty as a trustee or officer, provided that this provision shall not eliminate or limit the liability of such trustee or officer: (i) for any breach of such trustee's or officer's duty of loyalty to the corporation and its members; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) for any transaction from which the trustee or officer derived an improper personal benefit.

ing Fee \$10.00

State of Rhode Island and Providence Plantations

NON-PROFIT CORPORATION

ARTICLES OF MERGER
OF DOMESTIC CORPORATIONS
INTO

.....The Memorial Hospital.....

Pursuant to the provisions of Chapter 7-6 of the General Laws, 1956, as amended, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

FIRST: The following Plan of Merger was approved by each of the undersigned corporations:

(Insert Plan of Merger)

See Exhibit A attached hereto and incorporated
by reference herein

SECOND: As to each of the undersigned corporations, the Plan of Merger was adopted in the following manner: (Note 1)

The Plan of Merger was adopted by Notre Dame Hospital by a consent in writing signed under a date of August 17, 1989 by the sole member entitled to vote in respect thereof.

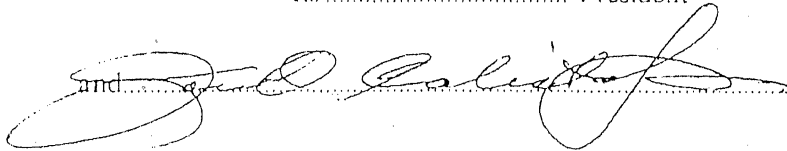
The Plan of Merger was adopted by The Memorial Hospital at a meeting of the Board of Trustees held on September 27, 1989, and received the vote of a majority of the Trustees in office, there being no members entitled to vote in respect thereof.

Dated 9/29, 19 89

Notre-Dame Hospital (Note 2)

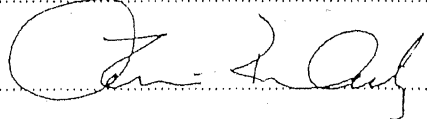
By  (Note 3)

Its Chairman
President

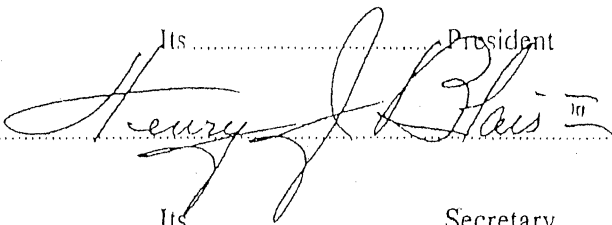
and  (Note 3)

Its Secretary

The Memorial Hospital (Note 2)

By  (Note 3)

Its President

and  (Note 3)

Its Secretary

- NOTES:
- As to each of the corporations parties to the merger, insert whichever of the following statements is applicable:
 - "The Plan of Merger was adopted by at a meeting of its members held on, at which a quorum was present, and the Plan of Merger received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast."
 - "The Plan of Merger was adopted by by a consent in writing signed under date of by all members entitled to vote in respect thereof."
 - "The Plan of Merger was adopted by The Memorial Hospital at a meeting of the Board of Directors held on September 27, 1989, and received the vote of a majority of the Directors in office, there being no members entitled to vote in respect thereof."
 - Exact corporate names of corporations executing the Articles.
 - Signatures and titles of officers signing for the respective corporations.

PLAN OF MERGER

1. Names of Merging and Surviving Corporations

Notre Dame Hospital, a Rhode Island non-profit corporation (the "Merging Corporation"), will merge (the "Merger") with and into The Memorial Hospital, a Rhode Island non-profit corporation, which shall be the surviving corporation (the "Surviving Corporation").

2. Terms and Conditions of Merger

Following receipt of all necessary governmental approvals, the two corporations shall file articles of merger with the Rhode Island Secretary of State. The Merger shall be effective upon acceptance by the Secretary of State of such articles, but in any event not later than October 1, 1989 (the "Effective Date"). Upon the Effective Date, the name of the Surviving Corporation shall be The Memorial Hospital.

From and after the Effective Date until thereafter amended as provided by law, the articles of association and bylaws of the Surviving Corporation as in effect immediately prior to the merger shall be and continue to be the articles of association and bylaws of the Surviving Corporation, and the purposes of the Surviving Corporation as set forth in its articles of association immediately prior to the merger shall be and continue to be the purposes of the Surviving Corporation.

The persons who are members, trustees and officers of the Surviving Corporation immediately prior to the merger shall continue as the members, trustees and officers of the Surviving Corporation following the merger, and shall hold office as provided in the articles of association and the bylaws of the Surviving Corporation.

The first annual meeting and the first regular meeting of the Board of Trustees of the Surviving Corporation to be held after the Effective Date may be called or may convene in the manner provided in the bylaws of the Surviving Corporation.

If, on the Effective Date, a vacancy shall exist in any trusteeship or office of the Surviving Corporation by reason of the inability or failure of any persons to accept the trusteeship or the respective office in the Surviving Corporation, as the case may be, such vacancy may thereafter be filled in the manner provided in the bylaws of the Surviving Corporation.

Upon the Effective Date, separate existence of the Merging Corporation shall cease and all the property, rights, privileges, franchises and other assets of every kind and description of the Merging Corporation shall be vested in and devolve upon the Surviving Corporation without the requirement of any endorsement, deed or other instrument of transfer or further act or deed and all property, rights, privileges and franchises and every other interest of each corporation shall be effectively the property of the Surviving Corporation as they were of the Merging Corporation. The title to any real estate, whether by deed or otherwise, vested in the Merging Corporation shall be vested in the Surviving Corporation unimpaired, and all debts, liabilities and duties of the Merging Corporation shall thenceforth attach to the Surviving Corporation and may be enforced against it to the same extent as if said debts, liabilities and duties have been incurred or contracted by it, including, without limitation, the duties with respect to any restricted endowment funds theretofore maintained by the Merging Corporation.

All devises, bequests, gifts, grants, assignments or other transfers of property or rights to or interests in property made to the Merging Corporation, whether before or after the effective date of the merger and whether or not in the name of the Merging Corporation, shall be fully effective without order or decree of any court, in all respects as though such transfer had been made to and in the name of the Surviving Corporation.

If at any time the Surviving Corporation shall consider or be advised that any further assignments or assurances or any other things are necessary or desirable to vest in the Surviving Corporation, according to the terms hereof, the title to any property or rights of the Merging Corporation, the proper officers and trustees of the Merging Corporation shall, in such capacity, execute and make all such proper assignments and assurances and do all things necessary or proper to vest title in such property or rights in the Surviving Corporation and otherwise to carry out the purposes of this plan.

The Surviving Corporation reserves the right to amend, alter, change or repeal any provision contained in the articles of association of said corporation in the manner now or hereafter prescribed by said General Laws.

3. No Changes in Articles of Association of the Surviving Corporation.

There are no changes to the articles of association of the Surviving Corporation that are effected by the Merger.

4. Other Provisions Applicable to the Merger.

Notwithstanding the adoption of this plan by each corporation, this plan may be terminated at any time prior to the filing thereof with the Rhode Island Secretary of State by mutual consent of their respective board of trustees.

RECEIVED
SEP 26 1969

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Filing Fee \$10.00

State of Rhode Island and Providence Plantations

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

THE MEMORIAL HOSPITAL

Pursuant to the provisions of Section 7-6-40 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is.....The Memorial Hospital.....

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

Article 3rd was hereby amended to read as follows:

"3rd. Said corporation is constituted for the purpose of erecting, establishing and maintaining in the City of Pawtucket and State of Rhode Island, Hospital for the treatment of the sick and of those who may be suffering from accidents or injuries, for the purpose of conducting a school of nursing, and for the purpose of developing and maintaining such other programs and facilities (within or without said City of Pawtucket) for the promotion of human health as are consistent with the status of the corporation as an organization exempt from federal taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code (or the corresponding provisions of any future federal revenue law)."

THIRD: The amendment was adopted in the following manner:

(Note 1)

"The amendment was adopted at a meeting of members held on December 2, 1986, at which a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast."

Dated..... December, 1986

THE MEMORIAL HOSPITAL

(Note 2)

By

[Handwritten Signature]

(Note 3)

Its President

and

[Handwritten Signature: Henry J. Blais III]

(Note 3)

Its Secretary

CF10 10.00
CHEK 10.00

12/29/86 PAID .0143A001

NOTES:

1. Insert whichever of the following statements is applicable:
 - (a) "The amendment was adopted at a meeting of members held on _____, at which a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast."
 - (b) "The amendment was adopted by a consent in writing signed under date of _____ by all members entitled to vote in respect thereto."
 - (c) "The amendment was adopted at a meeting of the Board of Directors held on _____, and received the vote of a majority of the Directors in office, there being no members entitled to vote in respect thereof."
2. Exact corporate name of corporation adopting the Amendment.
3. Signatures and titles of officers signing for the corporation.

State of Rhode Island and Providence Plantations

December 4, 1958.

WE, the undersigned Officers of

The Memorial Hospital,

a corporation duly incorporated under the laws of the State of Rhode Island,

HEREBY CERTIFY, that at a legal meeting of said corporation, duly called for the purpose,

and held in the City of Pawtucket,

in said State, on the 3rd day of December, A. D. 1958,

the following amendment(x) to the Articles of Association was (~~not~~) duly adopted by the affirmative vote of all of its members viz:—

“Voted, That Article 3rd be amended by adding thereto the words "and for the purpose of conducting a school of nursing" in such manner that such Article as amended will read as follows:

3rd. Said corporation is constituted for the purpose of erecting, establishing and maintaining in the City of Pawtucket and State of Rhode Island, a Hospital for the treatment of the sick and of those who may be suffering from accidents or injuries and for the purpose of conducting a school of nursing.

CORPORATE SEAL

ATTEST:

Hubert B. P... President.

Henry A. ... Secretary.

ORIGINAL

CERTIFICATE OF AMENDMENT OF
ARTICLES OF ASSOCIATION OF

The Memorial Hospital

Duly Incorporated Under the Laws of
the State of Rhode Island.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

DEC - 9 1958

.....19.....

State of Rhode Island and Providence Plantations.

January 9, 1936. ~~xxx~~

WE, the undersigned Officers of

THE MEMORIAL HOSPITAL,

a corporation duly incorporated under the laws of the State of Rhode Island, HEREBY CERTIFY, that at a legal meeting of said corporation, duly called for the purpose, and held in the City of Pawtucket, in said State, on the 2nd day of January, A. D. 1936, the following amendment(s) to the Articles of Association was (or were) duly adopted by the affirmative vote of a majority of its members, viz:—

"VOTED, That the Board of Trustees shall consist of not less than fifteen nor more than twenty-five members, including ex-officio members, the members of said Board to be elected at the annual meeting of the corporation or at any adjournment thereof; and said Board may, at any regular or special meeting thereof, fill any vacancy in said Board or in any other office, whether due to death, resignation, inability to serve, or other cause; Provided, however, that the Board of Trustees may, from time to time, by the vote of a majority of said Board, establish and fix by By-Law, the number of trustees which shall constitute such Board.

Any provisions of the Articles of Association as heretofore amended, inconsistent with this amendment, are hereby repealed.

[CORPORATE SEAL]

ATTEST:

John Johnston President.
James L. Jenkins Secretary.

ORIGINAL

CERTIFICATE OF AMENDMENT OF
ARTICLES OF ASSOCIATION OF
THE MEMORIAL HOSPITAL

Duly Incorporated Under the Laws of the
State of Rhode Island.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE.

JAN 20 1936

192.....

State of Rhode Island and Providence Plantations.

Pawtucket, Rhode Island, Nov. 2, 1926.

WE, the undersigned Officers of

THE MEMORIAL HOSPITAL,

a corporation duly incorporated under the laws of the State of Rhode Island, HEREBY CERTIFY, that at a legal meeting of said corporation, duly called for the purpose, and held in the City of Pawtucket, in said State, on the 2nd day of November, A. D. 1926, the following amendment(s) to the Articles of Association was (or were) duly adopted by the affirmative vote of a majority of its members, viz:—

“VOTED, That Sec. 6th of the Articles of Association is hereby repealed, and the following is substituted therefor:—

“Sec. 6th. There shall be a Board of Trustees consisting of not less than fifteen, nor more than twenty members, who shall be elected at the Annual Meeting or any adjournment thereof.

Said Board of Trustees shall ordain, institute, establish and put in execution such rules, regulations, and by-laws as may be deemed expedient for the internal government and economy of the institution, and for the well ordering, managing and conducting of all affairs thereof, and of all officers, agents and persons appointed or employed by them in and about the establishment or elsewhere, and may alter and amend them at pleasure, provided the same are not repugnant to the laws of the State or of the United States, and may generally do and transact all matters and things necessary and expedient for the interests of the Hospital; and such By-laws shall remain in force until annulled or amended by said Board, or the Corporation at any Annual or Special Meeting, provided notice of such action by the Corporation be inserted in the published notice of such meeting.

Said Board of Trustees shall at their first meeting after the Annual Meeting, or at any adjournment thereof, elect from their own number a President, a Vice President, a Secretary, and a Treasurer, who shall hold their office until others are elected in their stead, and whose duties shall be such as the Board of Trustees may from time to time prescribe.

The Board may also from time to time elect or appoint such other and additional officers as they deem advisable, and may fill all vacancies in any office or in said Board occurring from death, resignation, or other cause.

Said Board may also admit new members to the corporation, and may by by-law, determine from time to time the conditions and qualifications of such membership.”

Sections 7th, 8th, and 9th of the Articles of Association, together with the amendment thereto passed June 26, 1901, are hereby repealed, and any portion of the Articles of Association or of the by-laws inconsistent with the foregoing amendments are hereby repealed.

[CORPORATE SEAL]

ATTEST:

Fred W. Easton 1st Vice President.
James R. Jenkins Secretary.

ORIGINAL

CERTIFICATE OF AMENDMENT OF
ARTICLES OF ASSOCIATION OF
THE MEMORIAL HOSPITAL.

Duly Incorporated Under the Laws of the
State of Rhode Island.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE.

NOV 10 1926

192.....

Amendment to Articles of Association of The Memorial Hospital.

" Voted: That Article 8th of the Articles of Association of this "
" corporation be and the same is hereby amended so as to read as follows: "
" 8th. The said corporation may, at their first or at any subse- "
" quent meeting elect a president, two vice presidents, a treasurer and a "
" secretary and such additional officers as said corporation may deem "
" necessary or convenient; and such officers shall have such power and "
" authority and shall be elected in such manner and for such periods of "
" time as the by-laws of said corporation may provide; and such president, "
" vice presidents, secretary and treasurer shall be ex-officio members of "
" the board of trustees with the same power and authority as other members "
" possess and enjoy, and shall in like manner remain in office until others "
" are chosen in their stead. "

We hereby certify that at a meeting of the corporation of the Memorial Hospital of Pawtucket, R. I., held June 26th, A. D. 1901, the foregoing amendment to the Articles of Association was unanimously adopted.

Pawtucket, R. I., June 26, 1901.

Laura M. Darling
President

James L. Jenkins
Secretary

*The Memorial Hospital
Amendment to Ar-
ticles of Incorporation*

JUN 28 1901

Filed

State of Rhode Island and Providence Plantations.

ARTICLES OF ASSOCIATION.

K

KNOW ALL MEN BY THESE PRESENTS THAT WE, Lyman M. Darling, Pardon E. Tillinghast, Frederick W. Easton, ~~James P. Easton, George L. Littlefield,~~ Lyman B. Goff, Darius L. Goff, J. Milton Payne, James I. Jenks, George M. Thornton, Eben N. Littlefield, ~~James P. Easton, Hezekiah Conant, Henry H. Sheldon,~~ Jonathan Chace, Albert A. Jenks, H. Howard Easton, Stephen F. Fisk, ~~James P. Easton,~~ Charles J. Knight, William P. Dempsey, ~~James P. Easton,~~ Henry B. Metcalf, James R. MacColl, Andrew J. Currier, George H. Stanley, Charles H. French, William P. Watson, William E. Wilson, James L. Wheaton, Jr., James H. Kingman, Charles A. Stearns, Julian A. Chase, Frank B. Fuller, ~~John D. Conner,~~ Augustine A. Mann, ~~J. D. Matthews,~~ Charles F. Sweet, Byron U. Richards, John P. Bennett,

all of lawful age, hereby agree to and with each other:

1st. To associate ourselves together for the purpose of constituting a corporation under and by virtue of the powers conferred by Chapter 176 of the General Laws of the State of Rhode Island.

2nd. Said corporation shall be known by the name of The Memorial Hospital.

3rd. Said corporation is constituted for the purpose of erecting, establishing and maintaining in the city of Pawtucket and State of Rhode Island, a hospital for the treatment of the sick and of those who may be suffering from accidents or injuries.

4th. Said corporation shall be located in Pawtucket, Rhode Island.

5th. The undersigned hereby waive notice of the first meeting of said corporation, which meeting may be called by a majority of the persons named in this agreement in such manner as they may determine, and said meeting shall be organized by the election of a temporary chairman and a temporary clerk.

6th. The said corporation shall ordain, institute, establish and put in execution such rules, regulations and by-laws as may be deemed expedient for the internal government and economy of the institution, and for the well-ordering, managing and conducting of all the affairs thereof, and of all officers, agents and persons appointed ~~or employed by~~ them in and about the establishment or elsewhere, and may alter and amend them at pleasure; provided, the same are not repugnant to the laws of the State, or of the United States; and may generally do and transact all other matters and things fit and proper for bodies corporate to do and transact.

7th. The said hospital and all the property and concerns of the corporation, shall be under the direction and management of ten trustees, who shall be chosen annually, and shall remain in office until others are chosen and qualified in their stead.

8th. The said corporation may, at their first or any subsequent meeting, elect a President, Treasurer and Secretary, and all other necessary and convenient officers, who shall have such power and authority as the said corporation may think proper to prescribe and grant to them; and who shall be elected in such manner and for such periods of time as the by-laws of the said corporation may provide; and such President, Treasurer and Secretary shall be ex-officio members of the Board of Trustees, with the same power and authority as other members possess and enjoy; and shall in like manner remain in office till others are chosen in their stead.

9th. Said corporation may from time to time admit new members and may by By-law determine from time to time the conditions and qualifications of such membership.

In Testimony Whereof, We have hereunto set our hands

this Eleventh day of May A. D. 1901

Lyman W. Darling
 Howard Gaston
 Perry D. Metcalf
 Lyman B. Goff
 900. W. Johnston
 Pardon E. Tillinghast
 Henry H. Sheldon
 Geo. Littlefield
 Stephen F. Fisk
 William A. Chace
 Augustus A. Mann
 William T. Dempsey
 Frederick W. Easton
 Jonathan Chace
 Albert A. Jenks
 Eben N. Littlefield
 Charles H. French

James H. Kingman
 James MacColl
 John Hillman
 Geo. H. Stanley
 James L. Wheaton
 William E. Hale
 Milton Payne
 James H. French

STATE OF RHODE ISLAND,
 COUNTY OF PROVIDENCE.

In the city of Pawtucket in said county this 11th day of May A.D. 1901, then personally appeared before me Lyman M. Darling, Pardon E. Tillinghast, Frederick W. Easton, ~~Frank A. Charles~~, ~~James Coats~~, George L. Littlefield, Lyman B. Goff, Darius J. Goff, J. Milton Payne, James L. Jenks, George M. Thornton, Eben N. Littlefield, ~~Joseph Holfield~~, Hezekiah Conant, Henry H. Sheldon, ~~Edward L. Freeman~~, Jonathan Chace, Albert A. Jenks, N. Howard Easton, Stephen F. Fisk, ~~John J. Fitzgerald~~, Charles L. Knight, William P. Dempsey, ~~George H. French~~, Henry B. Metcalf, James B. MacColl, Andrew J. Currier, George H. Stanley, Charles H. French, William P. Watson, William E. Wilson, James L. Wheaton, Jr., James H. Kingman, Charles A. Stearns, Julian A. Chase, Frank B. Fuller, ~~John P. Connington~~, Augustine A. Mann, ~~J. B. V. McWhorter~~, Charles F. Sweet, Byron U. Richards, John P. Bennett, each and all known to me and known by me to be the parties executing the foregoing instrument and they severally acknowledged said instrument by them subscribed to be their free act and deed.

Frederic M. Gilmore
 Notary Public.

Mr. No. 1000

Washburn

Articles of Association

FILED MAY 25 1901

11
86-S 2244
Approved
Mar 26, 1986.

AN ACT IN AMENDMENT OF SECTION 1 OF THE ACT PASSED AT THE JANUARY SESSION, 1910, ENTITLED "AN ACT TO PERMIT THE MEMORIAL HOSPITAL TO TAKE AND HOLD PROPERTY TO THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS", AS AMENDED

SECTION 1. Of an act passed at the January session, 1910, approved April 4, 1910, entitled "An act to permit the Memorial Hospital to take and hold property to the amount of five hundred thousand dollars", and most recently amended by an act passed at the January session, 1975, effective March 10, 1975, is hereby further amended to read as follows:

"Section 1. The Memorial Hospital, a corporation organized under the laws of the state of Rhode Island, is authorized to take, hold, and dispose of real and personal estate to the amount of seventy-five million dollars (\$75,000,000.) and the property and estate of said corporation, both real and personal, shall not at any time be required to be assessed in the apportionment of any state, city or town tax".

SECTION 2. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

75-S 227
Effective
Mar. 10, 1975.

AN ACT in Amendment of Section I of the Act Passed at the January Session, 1910, entitled "An Act to Permit the Memorial Hospital to Take and Hold Property to the Amount of Five Hundred Thousand Dollars", as Amended.

It is enacted by the General Assembly as follows:

Section 1. of an act passed at the January session, 1910, approved April 14, 1910, entitled "An act to permit the Memorial Hospital to take and and hold property to the amount of five hundred thousand dollars", and most recently amended by an act passed at the January session, 1965, approved April 26, 1965, is hereby further amended to read as follows:

"Section 1. The Memorial Hospital a corporation organized under the laws of Rhode Island, is authorized to take, hold, and dispose of real and personal estate to the amount of twenty-five million dollars (\$25,000,000.) and the property and estate of said corporation, both real and personal, shall not at any time be required to be assessed in the apportionment of any state, city or town tax".

Sec. 2. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

JANUARY SESSION, 1965.

AN ACT in Amendment of Section 1 of the Act Passed at the January Session, 1910, Entitled "An Act to Permit the Memorial Hospital to Take and Hold Property to the Amount of Fifteen Million Dollars," as Amended.

H 1353 A
Approved
April 26, 1965.

It is enacted by the General Assembly as follows:

Section 1. Section 1 of the act passed at the January session, 1910, approved April 14, 1910, entitled "An act to permit the Memorial Hospital to take and hold property to the amount of fifteen million dollars," as amended by an act passed at the January session, 1923, approved April 18, 1923, and further amended by an act passed at the January session, 1931, approved April 14, 1931, and amended by an act passed at the January session, 1947, approved June 2, 1947, and further amended by an act passed at the January session, 1957, approved April 15, 1957, is here further amended to read as follows:

"Section 1. The Memorial Hospital, a corporation organized under the laws of Rhode Island, is authorized to take, hold, and dispose of real and personal estate to the amount of fifteen million (\$15,000,000.00) dollars and the property and estate of said corporation, both real and personal, shall not at any time be required to be assessed in the apportionment of any state, city or town tax."

Sec. 2. This act shall take effect upon its passage.

JANUARY SESSION, 1957.

H 1381
Approved
April 15, 1957.

AN ACT IN AMENDMENT OF SECTION 1 OF THE ACT PASSED AT THE JANUARY SESSION, 1910, ENTITLED "AN ACT TO PERMIT THE MEMORIAL HOSPITAL TO TAKE AND HOLD PROPERTY TO THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS," AS AMENDED.

It is enacted by the General Assembly as follows:

SECTION 1. Section 1 of the act passed at the January session, 1910, approved April 14, 1910, entitled "An act to permit the Memorial Hospital to take and hold property to the amount of five hundred thousand dollars," as amended by an act passed at the January session, 1923, approved April 18, 1923, and further amended by an act passed at the January session, 1931, approved April 14, 1931, and further amended by an act passed at the January session, 1947, approved June 2, 1947, is hereby further amended to read as follows:

"Section 1. The Memorial Hospital, a corporation organized under the laws of Rhode Island, is authorized to take, hold, and dispose of real and personal estate to the amount of six million dollars and the property and estate of said corporation, both real and personal, shall not at any time be required to be assessed in the apportionment of any state, city or town tax."

SEC. 2. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

JANUARY SESSION, 1947.

S 287
Approved
June 2, 1947.

AN ACT IN AMENDMENT OF SECTION 1 OF THE ACT PASSED AT THE JANUARY SESSION, 1910, ENTITLED "AN ACT TO PERMIT THE MEMORIAL HOSPITAL TO TAKE AND HOLD PROPERTY TO THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS," AS AMENDED.

It is enacted by the General Assembly as follows:

SECTION 1. Section 1 of the act passed at the January session, 1910, approved April 14, 1910, entitled "An act to permit the Memorial Hospital to take and hold property to the amount of five hundred thousand dollars," as amended by an act passed at the January session, 1923, approved April 18, 1923, and further amended by an act passed at the January session, 1931, approved April 14, 1931, is hereby further amended to read as follows:

"Section 1. The Memorial Hospital, a corporation organized under the laws of Rhode Island, is authorized to take, hold, and dispose of real and personal estate to the amount of four million dollars and the property and estate of said corporation, both real and personal, shall not at any time be required to be assessed in the apportionment of any state, city or town tax."

SEC. 2. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

JANUARY SESSION, 1931.

H 633
Approved
April 14, 1931.

AN ACT IN AMENDMENT OF AN ACT PASSED AT THE JANUARY SESSION, 1910, ENTITLED "AN ACT TO PERMIT THE MEMORIAL HOSPITAL TO TAKE AND HOLD PROPERTY IN THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS," AS AMENDED.

It is enacted by the General Assembly as follows:

SECTION 1. Section 1 of an act passed at the January session, 1910, entitled "An act to permit the Memorial Hospital to take and hold property in the amount of five hundred thousand dollars," as amended by an act passed at the January session, 1923, is hereby further amended to read as follows:

"Section 1. The Memorial Hospital, a corporation organized under the laws of Rhode Island, is authorized to take, hold, and dispose of real and personal estate to the amount of two million five hundred thousand dollars and the property and estate of said corporation, both real and personal, shall not at any time be required to be assessed in the apportionment of any state, city or town tax."

SEC. 2. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

JANUARY SESSION, 1923.

AN ACT IN AMENDMENT OF AN ACT PASSED APRIL 14, 1910 ENTITLED "AN ACT TO PERMIT THE MEMORIAL HOSPITAL TO TAKE AND HOLD PROPERTY IN THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS."

H 1029.
Approved
April 15, 1923.

It is enacted by the General assembly as follows:

SECTION 1. Section 1 of an Act entitled "An Act to permit the Memorial Hospital to take and hold property in the Amount of Five Hundred Thousand Dollars" is hereby amended so as to read as follows:

"Section 1. The Memorial Hospital, a corporation organized under the laws of Rhode Island, is authorized to take, hold, and dispose of real and personal estate to the amount of One Million Five Hundred Thousand Dollars and the property and estate of said corporation, both real and personal, shall not at any time be required to be assessed in the apportionment of any state, city or town tax."

SEC. 2. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

JANUARY, 1910.

AN ACT TO PERMIT THE MEMORIAL HOSPITAL TO TAKE AND
HOLD PROPERTY TO THE AMOUNT OF FIVE HUNDRED
THOUSAND DOLLARS.

Approved
April 14, 1910.

It is enacted by the General Assembly as follows:

SECTION 1. The Memorial Hospital, a corporation organized under the laws of the state of Rhode Island, is authorized to take, hold, and dispose of real and personal estate to the amount of five hundred thousand dollars.

SEC. 2. This act shall take effect upon its passage.

THE MEMORIAL HOSPITAL

BYLAWS

ARTICLE I

BYLAWS AND PURPOSE OF THE HOSPITAL

Section 1.01. Incorporation. The name of the corporation shall be The Memorial Hospital with its main facilities located in the City of Pawtucket, County of Providence and State of Rhode Island (the "Hospital"). Pursuant to the provisions of its legislative charter and these Bylaws, and subject to the powers of the Member set forth in Article II, Section 2.02, all authority and governing force of the Hospital is vested in the Board of Trustees (the "Board") who in turn are appointed by the sole member of the Hospital (hereinafter referred to as the "Member").

Section 1.02. Purpose. The overall purpose of the Hospital is to be a university medical school affiliated institution and to serve as the community health center for the Blackstone Valley community and other communities. The Hospital shall have programs of community outreach and shall develop training programs with primary care as its focal point. In addition, the Hospital shall continue to provide the highest quality care in its traditional in-patient activities and develop tertiary care capabilities in various areas of medical and surgical specialties. The Hospital shall in all respects undertake management decisions and activities regardless of race, color, gender, creed, age, national origin, or availability of insurance.

ARTICLE II

MEMBERSHIP OF THE HOSPITAL

Section 2.01. Member. The Member of the Hospital shall be Southeastern Healthcare System, Inc., a non-profit corporation organized and existing under the laws of the State of Rhode Island.

Section 2.02. Powers. The Member shall exercise all of the rights and powers conferred upon the member of a non-profit corporation under the laws of the State of Rhode Island. The Member shall have such other powers as are specified in its charter and in these Bylaws. Without limitation as to the foregoing, the Member shall have the following powers: (1) The sole power to amend these Bylaws; (2) The sole power to elect Trustees; (3) The sole power to elect officers of the Hospital; (4) The sole power to approve the Hospital's budget and any non-budgeted, material expenditures; (5) The sole power to approve the investments by the Hospital in any subsidiary or affiliate of the Hospital; (6) The sole power to vote the capital stock in any subsidiary or affiliate of the Hospital; and (7) The sole power to authorize the incurrence of indebtedness or guarantee indebtedness and any mortgage, pledge or grant of

security interest, provided however that the Member may delegate its authority to the Board of the Hospital.

ARTICLE III

MEETINGS OF THE HOSPITAL

Section 3.01. The Annual Meeting of the Hospital. The annual meeting of the Hospital ("the Annual Meeting of the Hospital") shall be held within the State of Rhode Island at a place determined by the Member, on the last Wednesday in the month of November for the purpose of electing Trustees for a term commencing at the close of business of the meeting and for the transaction of such other business as may come before the meeting without notice other than by this Section 3.01. The Member may provide by resolution the time and place for the holding of additional regular meetings without notice other than such resolution.

Section 3.02. Special Meetings. Special meetings of the Hospital may be called at any time by the Chairman, President, any three (3) or more Trustees or the Member. The call of a special meeting shall state the time and place of the meeting and the specific business to be considered at said meeting. No other business may be transacted other than that specified in the call of the meeting.

Section 3.03. Notice of Special Meetings. Notice of any special meeting of the Hospital shall be given at least three (3) days prior thereto by written notice delivered personally or mailed to the Member and each Officer and Trustee at their business addresses (or, if no business address, then at their residences) or by facsimile. If mailed, such notice shall be deemed delivered when deposited in the United States mail, so addressed, with postage prepaid thereon. If notice is given personally or by facsimile, notice shall be deemed delivered when received.

Section 3.04. Action Without a Meeting. Any action that may be taken by the Member at a special meeting of the Hospital may be taken without a meeting if a consent or consents in writing, setting forth the action so to be taken, shall be signed before or after such action by the Member. Such written consent or consents shall be filed with the minutes of the proceedings of the Member.

ARTICLE IV

CORPORATORS

Section 4.01. Composition. The Corporators shall be a diverse group of individuals who have evidenced their interest in the purposes and programs of the Hospital and the communities served by the Hospital. The number of Corporators shall be established and may be changed from time to time by resolution of the Member. At the 2003 Annual Meeting of the Hospital, the Corporators were divided into two (2) classes of approximately equal size. The term of office of the Corporators in the first class shall expire at the 2004 Annual Meeting of the Corporators, and the term of office of the second class of Corporators shall expire at the 2005 Annual Meeting of the Corporators. The Member may elect a Corporator at any time. Each Corporator elected shall serve until the expiration of such Corporator's term or until his or her successor shall have been duly elected and qualified or until such Corporator's death or

resignation or removal in the manner provided herein. A Corporator elected during the Annual Meeting of the Hospital shall serve for a term of two (2) years commencing at the next Annual Meeting of the Corporators. A Corporator elected at any other time shall serve for a term ending at the second Annual Meeting of the Corporators occurring after that Corporator's election. All members of the Board shall be Corporators. The Member shall have the authority to remove any Corporator with or without cause. In the event of the death, resignation or removal of a Corporator during the Corporator's term, the Member may fill the vacancy for the duration of the unexpired term. Any Corporator (i) attaining age seventy-two (72) as of December 2, 2003, or after the Annual Meeting of the Corporators of any year or (ii) whose principal residence has changed from the service area of the Hospital and who, in either case, no longer desires to serve as an active Corporator shall, upon the designation of the Member, be eligible to be elected as a Corporator Emeritus following expiration of such Corporator's term of office. A Corporator Emeritus shall be a person who served as a Corporator in good standing and, in the sole discretion of the Member, is worthy of being appointed a Corporator Emeritus. A Corporator Emeritus shall have all of the rights and privileges of a Corporator.

Section 4.02. Purpose, Powers and Authority. The Corporators shall receive reports from the officers and committees of the Hospital, shall be asked to provide advice and counsel to the Hospital on matters of importance to the Hospital, and shall be eligible to serve the Hospital in various capacities. Notwithstanding the foregoing, the Corporators shall not have any vote on any matter.

Section 4.03. Meetings of the Corporators. The annual meeting of the Corporators ("the Annual Meeting of the Corporators") shall be held within the State of Rhode Island at a place determined by the Member, on the first Tuesday in the month of December in each year. In addition, there may be such other meetings of the Corporators as may be called by the Chairman, for the purpose of receiving the reports of the Chairman, President, Treasurer, the President of the Medical Staff, the President of the Auxiliary, and the President of the Nurses' Alumni Organization, and to receive such other committee reports and transact such other business as is appropriate. The Chairman of the Board of Directors of the Member shall chair such meetings.

Section 4.04. Notice of Meetings of Corporators. Notice of the Annual Meeting of the Corporators or other meeting of the Corporators shall be given by the Secretary by publication thereof at least three (3) times in a newspaper of general circulation in the city of Pawtucket or by written notice to each Corporator and Corporator Emeritus.

ARTICLE V

BOARD OF TRUSTEES

Section 5.01. Selection. Any person who has demonstrated or is apt to demonstrate an interest in the Hospital and the fulfillment of its role as a hospital seeking to deliver the best medical treatment possible and is otherwise interested in the purpose of the Hospital is eligible for election as a Trustee. The Trustees shall be elected by the Member at the Annual Meeting of the Hospital. Additional or replacement Trustees may be elected by the Member at any time.

Section 5.02. Powers. Subject to the powers of the Member set forth in Article II, Section 2.02, the Board shall have the control and management of the affairs, property, and interests of the Hospital and may exercise all powers of the Hospital. The Chairman of the Board of the Member (the "Chairman") and the President of the Member shall be the Chairman and the President of the Hospital, respectively.

Section 5.03. Membership. The Board shall consist of not less than ten (10) nor more than forty (40) Trustees. The Chairman of the Member and the President of the Member shall be members of the Board.

Section 5.04. Term of Office and Vacancy. The Trustees shall serve a term of one (1) year, and until a successor shall have been duly elected and qualified, or until the death, resignation or removal of such Trustee. In the event of the death, resignation or removal of any Trustee during the Trustee's term in office, the vacancy may be filled by the Member.

Section 5.05. Removal. The Member shall have the authority to remove any Trustee with or without cause.

Section 5.06. Regular Meetings. The Board shall meet not less than once per calendar quarter and as the Board may otherwise prescribe by resolution. The time and place for the holding of additional regular meetings may be provided by resolution without notice other than such resolution. A majority of the Board shall constitute a quorum for the transaction of business. The Board shall invite two (2) physicians from the Executive Committee of the Medical Staff to attend the regular meetings of the Executive Committee of the Board and the regular meetings of the Board.

Section 5.07. Special Meetings. Special meetings of the Board shall be called by the Secretary at the request of the Chairman, President, any three (3) Trustees, or the Member.

Section 5.08. Notice of Special Meetings. Notice of each special meeting specifying its purpose shall be given by the Secretary at least three (3) days prior thereto by written notice delivered personally or mailed to the Trustees at their business addresses (or, if no business address, then at their residences) or by facsimile or electronic transmission. If mailed, such notice shall be deemed delivered when deposited in the United States mail, so addressed, with postage prepaid thereon. If notice is given personally, by facsimile or by electronic transmission, notice shall be deemed delivered when received by the Trustee.

Section 5.09. Joint Meetings. Any meeting of the Board or any committee thereof shall be deemed to be a joint meeting of the Board or such committee and the Board of the Member or its comparable committee, unless otherwise specified in the notice.

Section 5.10. Presence Through Communications Equipment. Unless otherwise provided by law, Trustees may participate in a meeting of the Board by means of a conference telephone or similar communications equipment, including video conferencing, by means of which all persons participating in the meeting can communicate with each other at the same time and participation by such means shall constitute presence in person at the meeting.

Section 5.11. Action Without a Meeting. Any action that may be taken by the Board at a meeting may be taken without a meeting if a consent or consents in writing, setting forth the action so to be taken, shall be signed before or after such action by all of the Trustees. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 5.12. Quorum. A majority of the number of Trustees of the Hospital from time to time shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than such a majority is present at a meeting, a majority of the Trustees then present may adjourn the meeting from time to time without further notice. A majority of the members of any committee from time to time shall constitute a quorum for the transaction of business at any meeting of such committee, but if less than such a majority is present at a meeting, a majority of the members then present may adjourn the meeting from time to time without further notice.

Section 5.13. Manner of Acting. The act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present shall be the act of the Board, unless a greater number is required by the Rhode Island Non-Profit Corporation Act, as amended (the "Act") or by the articles of incorporation.

Section 5.14. Presumption of Assent. A Trustee who is present at a meeting of the Board at which action on any corporate matter is taken shall be deemed to have assented to such action unless his or her dissent shall be entered in the minutes of the meeting or unless the Trustee shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Hospital immediately after adjournment of the meeting. Such right to dissent shall not apply to a Trustee who voted in favor of such action.

Section 5.15. Specific Duties and Responsibilities of the Board. In addition to the foregoing, the Board shall have the following duties and responsibilities:

(1) Orientation – All new members of the Board will attend an orientation session within the first two months of appointment.

(2) The Board, through reports from the Administration and the Medical Staff, shall endorse the Plan for Patient Care, and ensure that assessment and improvement mechanisms are in place to review and appraise the quality of care and patient safety rendered at the Hospital. The Board in conjunction with the Member shall establish policy, review and approve the organizational structure, strategic planning strategy, annual operating budget and capital budget for the Hospital and the program planning activities of the Hospital, enforce the mission, vision and goals of the institution, and promote financial stability. The Board will receive and review reports to ensure corporate compliance and Health Insurance Portability and Accountability Act of 1996 ("HIPAA") regulations are maintained.

(3) All designated employees of the Hospital shall be regularly reviewed regarding performance in their positions according to their job description. A detailed report from the Vice President of Human Resources shall be compiled in order to ensure competence of employees who are performing patient care services. The Board shall promote performance

improvement by encouraging continuing education for employees and promote resolution of conflicts among hospital employees. The President of the Hospital shall provide the Board with a summary of such report for annual review.

(4) The Board will promote education for its members – administration, financial and clinical through numerous means including Board retreats.

(5) The Board shall evaluate the performance of its functions on an annual basis.

Section 5.16. Attendance. In order to effectively discharge their responsibilities as Trustees, each Trustee is required to attend at least fifty percent (50%) of all regular Board meetings within a twelve month period, unless a Trustee requests in writing that his or her absences be excused by the Chairman. The Chairman shall have discretion to excuse such absences, regardless of whether the request is made prior to or after the absences. Failure to attend the requisite number of meetings without being excused by the Chairman shall, at the discretion of the Chairman, result in removal from the Board.

Section 5.17. Honorary Trustees. Any member of the Board attaining age seventy-two (72) after the Annual Meeting of the Hospital shall be ineligible for a re-election as a Trustee but shall be eligible to be elected as an Honorary Trustee. An Honorary Trustee shall be a person, who served as a Trustee in good standing and who regardless of age, in the opinion of the Member worthy of being appointed an Honorary Trustee. Honorary Trustees are not obligated to meet the attendance requirements of the Board and are ineligible to vote.

Section 5.18. Executive Committee of the Board. The Executive Committee of the Board shall be composed of the Chairman, the Vice Chairman, the President, the Treasurer, the Secretary and not less than five (5) other Trustees, which Trustees shall be appointed by the Chairman with approval of the Board. Such Trustees shall serve until the next Annual Meeting or at the pleasure of the Board. The Executive Committee of the Board shall exercise all the powers and authority of the Board when the Board is not meeting. A quorum for the meetings of the Executive Committee of the Board shall be at least five (5) members of the committee.

Section 5.19. Other Committees of the Board and the Hospital. The standing committees of the Board and the Hospital are the committees specified in Article VII of these Bylaws. In addition to the standing committees specified in Article VII hereof, the Board shall have the power to create, from time to time, other standing committees with such powers and responsibilities as the Board shall deem necessary and advisable. The Chairman, with the approval of the Board, shall also have the power, from time to time, to create special committees whose members may include individuals who are not Trustees. All committees, whether standing committees or special committees, shall be subject at all times to the supervision and control of the Board. All committees, whether standing committees or special committees, shall report at periodic intervals to the Board and in addition, to the Executive Committee of the Board upon request.

Section 5.20. Appointments. The Board shall make all appointments and reappointments to any category of membership on the Medical Staff on the recommendation of the Executive Committee of the Board and the Executive Committee of the Medical Staff. All

appointments shall be initially for a provisional period of one (1) year and thereafter reappointments shall be conferred as specified in the Bylaws Governing the Medical Staff as the same may be amended from time to time. The procedures for processing and evaluating Medical Staff applications and all clinical privileges shall be developed by the Executive Committee of the Medical Staff in accordance with the Bylaws Governing the Medical Staff as the same may be amended from time to time. All members of the Medical Staff shall be required to maintain and carry professional liability insurance as shall be determined by the Board from time to time.

Section 5.21. Contracts. The Board may authorize any officer or officers, or any agent or agents, to enter into contracts and agreements in the name of and on behalf of the Hospital, and such authority may be general or confined to specific instances.

Section 5.22. Checks, Drafts or Other Similar Orders. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Hospital, shall be signed by such officer or officers, or such agent or agents, of the Hospital and in such manner as shall from time to time be determined by resolution of the Board.

Section 5.23. Deposits. All funds of the Hospital not otherwise employed shall be deposited from time to time to the credit of the Hospital in such banks, trust companies or other depositories or financial institutions as the Board may select.

ARTICLE VI

OFFICERS OF THE HOSPITAL

Section 6.01. The Officers. The officers of the Hospital (the "Officers") shall be the Chairman, not less than one (1) Vice-Chairman, the President, the Treasurer, the Assistant Treasurer, the Secretary, the Assistant Secretaries and such other Officers as may be deemed desirable by the Board. The officers designated herein shall be elected annually by the Board at its annual meeting upon nomination from the Member. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until such officer's death, resignation or removal in the manner hereinafter provided.

Section 6.02. Chairman. The Chairman, who shall be the Chairman of the Board of the Member, shall preside at all meetings of the Hospital, the Board, and of the Executive Committee of the Board. The Chairman shall appoint the chair and members of all committees and submit appointments to the Board for approval, unless otherwise specified by these Bylaws. The Chairman shall be a member ex officio of all committees. In the absence of the President or in the event of the President's death, inability or refusal to act, the Chairman shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 6.03. Vice Chairman. In the absence of the Chairman, the Vice-Chairman shall have the powers and duties of the Chairman and such other powers and duties as the Board may prescribe from time to time.

Section 6.04. President. The President, who shall be the President of the Member, shall be the principal executive officer of the Hospital and, subject to the direction and under the supervision of the Board, shall have general charge of the business, affairs and property of the Hospital, and control over its officers, agents and employees. The President shall execute, on behalf of the Hospital, any deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Hospital, or shall be required by law to be otherwise signed or executed. The President shall do and perform all duties incident to the office of President and such other duties as may be assigned to the President by these Bylaws or by the Board. The President shall execute written consents of the Hospital in lieu of taking actions required or desirable at annual, regular or special meetings of such subsidiary entities as the President may deem necessary or desirable, subject to the direction of the Board. The President's performance shall be evaluated by the Executive Committee, which shall report to the Board annually. The President shall direct an in-department orientation for the Trustees as to the goals and objectives of the Hospital and the role of the Trustees in the development of such goals and objectives.

Section 6.05. Treasurer. The Treasurer shall perform such duties as may be from time to time assigned to the Treasurer by the Chairman or the Board. The Treasurer shall serve ex officio on the Finance Committee and shall undertake such other duties as from time to time may be assigned to the Treasurer by the President or by the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Trustees shall determine.

Section 6.06. Assistant Treasurer. The Assistant Treasurer shall assume all the duties of the Treasurer whenever the latter is not readily available. The Assistant Treasurer shall, if required by the Board, give bond for the faithful performance of the Assistant Treasurer's duties.

Section 6.07. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Hospital and see that the seal of the Hospital is affixed to all documents the execution of which on behalf of the Hospital under its seal is duly authorized; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board.

Section 6.08. Assistant Secretaries. In the event of the absence or disability of the Secretary, the Assistant Secretaries, in order of seniority, shall have the powers and duties of the Secretary and such other powers and duties as the Board may prescribe from time to time.

Section 6.09. Removal. The Member shall have the authority to remove any officer, with or without cause. Nothing herein, however, shall affect or interfere with any existing contractual rights of an officer who is a full-time or part-time employee of the Hospital.

Section 6.10. Resignations. Any officer or agent may resign at any time by giving written notice to the Board of Directors or to the President or Secretary. The resignation shall take effect at the time specified in the notice and, unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 6.11. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled in the manner prescribed in these Bylaws for election or appointment to such office.

ARTICLE VII

STANDING COMMITTEES

Section 7.01. Standing Committees. The Joint Conference Committee, Finance Committee, Corporate Governance Committee, Community Relations & Fund Development Committee, Departmental Visiting Committee, and Audit Committee shall be the standing committees of the Board. Where indicated, individuals who are not Trustees may serve on such committees.

Section 7.02. Joint Conference Committee. The Joint Conference Committee shall serve as the communication liaison between the Medical Staff, Administration and the Board. It shall consider matters relating to medical care generally, including medical programs, education and staff, quality assurance assessment and development, patient care audit reports and evaluation and staff reports, and it shall make periodic recommendations thereon to the Board. The Joint Conference Committee shall recommend to the Board all required action designed to ensure that the Hospital is in compliance with the Standards of the Joint Commission on Accreditation of Healthcare Organizations and other accrediting agencies. Members of the Joint Conference Committee shall be comprised of the Executive Committee of the Board and the Executive Committee of the Medical Staff, and Senior Vice President Operations/Chief of Nursing. The Joint Conference Committee shall meet regularly each calendar quarter and at such other times as may be necessary or desirable.

Section 7.03. Finance Committee. The Finance Committee shall be charged with the supervision of the investments of the endowment funds of the Hospital, subject, however, to the authority of the Board and the Member. The Finance Committee shall have the power to authorize the purchase or sale of particular securities; invest and reinvest Hospital funds; contract with independent investment advisors, investment counsel or managers, or trust companies or other professionals to act; and authorize the payment of compensation for investment management services. The Finance Committee shall also have the power to deposit the securities and other investments of the Hospital with such financial institution or brokerage as it may select and to execute with the depositories such contracts respecting the terms of the deposits and the duties of the depository as it may deem proper. The Finance Committee shall keep records of all its proceedings and it shall present its report to the next meeting of the Board for approval. The Finance Committee shall meet monthly and consist of at least five (5) Trustees, including the Treasurer ex officio and the President ex officio. The Finance Committee shall be a joint committee of the Hospital and the Member. A majority in number of the members of the Finance Committee shall constitute a quorum.

Section 7.04. Corporate Governance Committee. The Corporate Governance Committee shall develop, recommend and annually review corporate governance guidelines of the Hospital and oversee corporate governance matters, shall coordinate an annual review of the Board's performance in corporate governance, supervise adherence to the Hospital's conflict of interest policy, and review from time to time the Bylaws of the Hospital, conflict of interest questionnaires and policies, requests for waivers of such policies, and review the effectiveness of the Hospital's conflict of interest policy. The Corporate Governance Committee shall be a joint committee of the Hospital and the Member.

Section 7.05. Community Relations & Fund Development Committee. The Community Relations & Fund Development Committee shall keep the community informed of the aims, activities, and needs of the Hospital through the promotion of ethical publicity and proper interpretation of the objectives and performance of the Hospital, and shall meet when needed. The Community Relations & Fund Development Committee shall endeavor to increase the income of the Hospital by way of gifts, legacies and other similar donations, either for the general or for the specific purposes of the Hospital. The President or the President's delegate shall serve on the Committee. The Community Relations & Fund Development Committee shall be charged with the duty of recommending for nomination new Corporators to the Member. The Committee shall be a joint committee of the Hospital and the Member.

Section 7.06. Departmental Visiting Committee. The Departmental Visiting Committee is a committee of the whole Board which shall have the duty of visiting specific departments of the Hospital from time to time in groups of two (2) or more Trustees as designated by the Chairman. The Departmental Visiting Committee shall ascertain the effectiveness, efficiency, and patient safety of such departments and shall report its findings to the Board.

Section 7.07. Audit Committee. The Audit Committee shall be charged with the duty of recommending the appointment of independent auditors of the Hospital, of reviewing the scope and cost for the annual audit, of reviewing the result of such audit, and of monitoring the response of management to such audit and the implementation of internal audit procedures. The members of the Audit Committee must meet any educational and professional requirements established by the Board as prerequisites for membership on the Audit Committee. The Audit Committee shall be a joint committee of the Hospital and the Member.

ARTICLE VIII

THE MEDICAL STAFF

Section 8.01. Organization. For the purpose of these Bylaws, the designation "Medical Staff" shall mean the organization of physicians, dentists, and podiatrists who are or may be privileged to attend patients in the Hospital. The members of the Medical Staff shall adopt bylaws and rules and regulations, from time to time, for the conduct of its affairs, but such bylaws, rules and regulations shall not become effective until first approved by the Board after due notice of proposed action thereon, at a meeting of the Board.

Section 8.02. Responsibilities. The Medical Staff shall be responsible for, among other things, establishing policies, subject to Board approval and consistent with its bylaws and rules and regulations, as well as the Bylaws of the Hospital and applicable law, relating to: (a) participation in the Hospital's quality review and utilization management program, which includes assessing, maintaining, and improving the quality and efficiency of medical care; evaluating practitioner and institutional performance; monitoring critical patient care practices; evaluating practitioner's credentials for appointments and reappointments to the Medical Staff; delineating clinical privileges; and promoting appropriate use of medical and health care resources; (b) recommendation of appointments and reappointments to the Medical Staff; (c) development and monitoring of medical education and training programs; (d) development and maintenance of bylaws and related manuals and policies; (e) participation in the Hospital's long range planning activities; and (f) the exercise of all required responsibilities in a timely and proper manner.

The Medical Staff shall also evaluate the professional competence of the Medical Staff. Notwithstanding the foregoing, the Trustees shall have ultimate authority as to staff appointments, reappointments, assignment and curtailment of privileges which authority shall be exercised in accordance with the Bylaws Governing the Medical Staff, as the same may be amended from time to time in conformity herewith. The Medical Staff shall establish a system of controls that is designed to ensure the achievement and maintenance of high standards of professional ethical practices. The Medical Staff shall have the responsibility of reporting to the Board, through the Joint Conference Committee, as to its evaluation of the achievement and maintenance of such standards.

ARTICLE IX

THE AUXILIARY

Section 9.01. There shall be an Auxiliary which shall adopt bylaws from time to time for the conduct of its own affairs. These bylaws shall not become effective until first approved by the Board after due notice of proposed action thereon, at a meeting of the Board at which a quorum is present.

ARTICLE X

CONFLICT OF INTEREST

Section 10.01. Statement of General Policy on Conflict of Interest. No transaction involving remuneration or benefit to a Trustee or officer, or to an organization in which such Trustee or officer has a material financial interest or of which the Trustee or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Hospital without (a) full disclosure to the Board or the Member by the interested Trustee or officer of the material facts of the transaction and the Trustee or officer's interest or relationship; (b) the authorization, approval or ratification of the affirmative vote of a majority of disinterested Trustees or the Member; and (c) a determination by the Board or the Member that the transaction is fair to the Hospital at the time it is authorized, approved or ratified. No Trustee so involved may vote on such authorization, approval or ratification by the Board or the Member.

Section 10.02. Adoption of Policy. The Board shall, from time to time, adopt a policy for the Trustees or officers and such other personnel as they shall deem appropriate, providing for the periodic disclosure to the Hospital of any and all interests which may give rise to a possible conflict of interest, either pecuniary or otherwise.

ARTICLE XI

INDEMNIFICATION

Section 11.01. Each person who was, is, or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is, or was, a Trustee or an officer of the Hospital, or who, while a Trustee or an officer of the Hospital, is or was serving at the request of the Hospital as a Trustee, officer, employee or agent of another foreign or domestic corporation, joint venture, trust, other enterprise or employee benefit plan, shall be indemnified against judgments, penalties, fines, settlements and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with any such action, suit or proceeding to the full extent permitted under the Act. The indemnification provided by this Article XI shall not be deemed exclusive of any other rights to which those persons seeking indemnification may be entitled under any bylaw, agreement, or otherwise, and shall continue as to any person who has ceased to be a Trustee or an officer and shall inure to the benefit of the heirs, executors and administrators of such person. The Hospital may purchase and maintain insurance on behalf of any person who is or was a Trustee, officer, employee or agent of the Hospital, or who, while a Trustee, officer, employee or agent of the Hospital, is or was serving at the request of the Hospital as a Trustee, officer, partner, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Hospital would have the power or obligation to indemnify such person against such liability under the provisions of this Article XI or under the Act.

ARTICLE XII

GENERAL PROVISIONS

Section 12.01. Fiscal Year. The fiscal year of the Hospital shall begin on October 1 of each year and end on September 30 of the succeeding year.

Section 12.02. Registered Office and Registered Agent. The registered office of the Hospital shall be located within the State of Rhode Island and need not be identical with the principal office of the Hospital. The registered agent and registered office may be changed from time to time by the Board in accordance with the provisions of the Act.

Section 12.03. Waiver of Notice. Whenever any notice is required to be given to any person under the provisions of these Bylaws or under the provisions of the articles of incorporation or under the provisions of the Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any written waiver of notice of such meeting.

ARTICLE XIII

AMENDMENTS

Section 13.01. These Bylaws may be amended from time to time by vote of the Member. Notice of any amendment proposed by the Board shall be given to the Member in such form as the Board shall deem appropriate.

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